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The Nation's Business

Trade Enlargement Should Follow Munich

ANNOUNCEMENT of a $50 millions loan to Czechoslovakia will, it is thought, be followed by an even larger loan by Great Britain to Germany. Thus the greatest trading nation in the world will quickly consolidate — economically — the political accord reached so dramatically last week at Munich.

What Canada will hope for is that Britain will press her advantage still farther and pave the way for a general breakdown in the insurmountable barriers that have virtually strangled European trade in recent years.

At the pre-depression peak, Canada's annual trade with Europe topped the $300 millions mark. A few years later it had shrunk to $90 millions. Recovery from that low point has been slow and disappointing.

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OUR trade record with Germany is even more startling.

In the fiscal year ended March, 1929, Canada's total exports to Germany were $47 millions. Within six years they had shrunk to less than one tenth—about $4.5 millions.

Few countries stand to gain more than Canada in any resumption of trade connections with Germany and other European countries. Enlargement of wheat sales alone would be of incalculable value to the whole Canadian economy.

In addition, this country would share along with every other trading nation in the world the added hostage to peace which improved trade conditions between Europe and the rest of the world would undoubtedly give.

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London Wants Pipe-line Facts

CABLE dispatches to The Financial Post of the extent of Alberta oil pipe-line manoeuvrings in London, make two things very clear.

First, that important financial interests regard favorably the Alberta oil outlook; that some men are seriously considering a $25 millions proposition. Any such outlay on an economic basis presupposes a vast amount of oil in Alberta fields; enough to establish them as among the world's important crude producers and reservoirs.

Second, that what London needs right now is fewer pipe-line promoters and more solid facts.

Spokesmen of Alberta oil interests in the past have repeatedly emphasized the need for a pipe-line as a means toward solving the oil producers' marketing problem.

With important interests at the heart of the Empire now interested, it would seem elementary wisdom for Alberta oilmen to name a sober, informed and responsible spokesman and get him to London as soon as possible.

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National Policy of Forest Management

HUNDREDS of millions of dollars of new wealth have been created from Canada's forest resources and if R. A. McInnis, president of the Canadian Pulp and Paper Association, is right—and there are many who believe he is—the coming demand for Alpha pulps will bring new and greater prosperity to the forest products industries. The opportunity is rapidly crystallizing.

Full advantage can be taken of this situation only if the Dominion sets down a practical policy of forest management and forest conservation. Such a policy is needed not for the future but today.

To that end, Mr. McInnis asked the delegates at the annual convention of the Canadian Chamber of Commerce to support a movement designed to bring together representatives of all interests, government and private, with the object of formulating a practical policy.

Mr. McInnis has spent a lifetime in the pulp and paper trade. He speaks as a practical businessman, who looks ahead and plans for a development that can mean much to this country if handled properly or little, if neglected by our governments and businessmen.

Canada with its vast reserves of commercial pulpwood can make for itself a position as a producer of Alpha pulps comparable to that now held in the newsprint industry. Intelligent direction is needed.

Hence Mr. McInnis's plea for a national body to formulate a sound policy of forest management and conservation. Only in that way can Canada realize to the full on "the Golden Age of Cellulose."

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Leadership at Ottawa For Canadian Unity

JOHN M. IMRIE, managing director of the Edmonton Journal has been asking Ontario audiences two pertinent questions to counter his own query: "Is Canadian unity possible?"

Speaking to Canadian Clubs at Toronto and Hamilton this week, he said.

1. "Where is Canada to find the strong leadership in promoting Canadian unity that the need and the opportunities of the hour demand?

2. "Where has Canada a better right to expect leadership than in the province of Ontario with its rich background of history, of achievement, of physical resources,

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Eyes on Active Stocks Market Again Climbs

Securities Which Have Outstripped Others in the Past Believed Likely to Do So Again—Different Groups Analyzed

By A. D. ELLWOOD
Staff Writer, The Financial Post

For a change, an exceedingly welcome one, investors have turned to other things than the probable effects of war on their stocks.

Now thoughts are turning toward a more aggressive investment policy. Investors are casting around for those stocks most likely to give a favorable response to business improvement. In other words the business cycle gets another opportunity to make itself felt.

Which stocks are most likely to give better than average gains in the event that the upward leg of the business cycle is resumed?

One way to make a comparison is by analyzing actual movements in the last two strong upturns of the Canadian stock markets. Now it is understood that in any strong upward movement, practically all stocks can be expected to show gains in market values. But these gains are not going to be evenly distributed. Some stocks, or groups of stocks, will outstrip others. They always have in the past. Of course, it is not always the same stocks, or groups, that make the best showing. But, a study of the past two upward movements indicates that there may be similarity in market action.

General Upturn

Stock markets in Canada, as well as in the United States, Great Britain, and most other countries that have stock exchanges, moved up, with only minor interruptions from March, 1935, to March, 1937.

Then came a year of steady declines that culminated in the near panic levels of March 31, 1938. But from the end of March this year to about July 25, stocks regained much of the ground lost in the preceding year. What has happened since then is of too recent memory to need review.

No one can guarantee that another stock market recovery of the proportions of these two is in the making again. But, if the investor is convinced that stocks are more likely to move higher than to decline again, then he should also be justified in assuming that the more dynamic stock groups of the last two recoveries have a better than average chance of repeating.

With this in mind, The Financial Post has analyzed and compared the action of the various components of the Dominion Bureau of Statistics index of common stock prices from March, 1935, to March, 1937, and from March this year to July.

Taking the index of prices of 95 common stocks, industrials, utilities and banks, as a standard, the accompanying chart measures how the various component parts of the major index moved in comparison with the general index. For example, the major index gained 23% from March to July this year and pulp and paper stocks gained 89.7%, or 66.7% more than the average. Although gold stocks and base metal stocks are not included in the index of 95 stocks, they have been included in this case to give a more complete measure of comparative ability of all Canadian groups.

Five Consistent Groups

Five groups, pulp and paper, milling, building materials, industrial, mines and base metals, have made better than average gains in both periods. Machinery and equipment stocks, beverage stocks and transportation securities moved farther than the average in the 1938 period but less than the whole index in the 1935-37 period.

As measured by this standard, the oils, textiles and clothing shares, foods and allied products, telephone and telegraph, power and traction, banks and gold shares have consistently failed to show what may be considered average appreciation.

A Word of Caution

Right here, however, it may be well to throw in a word of caution. Ordinary investment policy considers at least two major factors, income and capital appreciation. It does not necessarily follow that because a group does not measure up well from the standpoint of capital appreciation, it will not be even more desirable for assured income. In fact, these very characteristics of steady income and less spectacular market performance may mean that some groups are more desirable for inclusion in many portfolios. It is probably true that stocks that have more than average ability to reach higher prices when conditions are favorable also react more sharply when the trend is downward. But the investor looking for capital appreciation looks for better than average performance.

Conditions that make for higher stock prices for most groups may conceivably react unfavorably for others. This, however, should be exceptional but perhaps accounts for the comparatively unsatisfactory market performance of Canadian gold stocks.

The Best Performers

Judged by the single standard of demonstrated ability to show higher

(Continued on page 2, col. 4)

Bren Contract Effect Revised

Amending Agreement Inspired by Criticism, Enquiry Told

From Our Own Correspondent

OTTAWA. — Maj.-Gen. L. R. Lafleche, Deputy Minister of National Defence, accepted full responsibility for his department in award of the Bren machine gun contract to the John Inglis Co. of Toronto, according to evidence this week at the Royal Commission enquiry before Mr. Justice H. H. Davis.

Direct result of an article by Col George Drew, K.C., in Maclean's Magazine, attacking the contract, the enquiry has produced evidence indicating:

1. After department officials had seen advance copies of Col. Drew's article, the contract provisions were in effect revised to close a loophole in the clauses covering the over-all profits payable to the company.

2. That Hugh Plaxton, Toronto M. P., had gone to the office of a member of the interdepartmental committee, then studying the contract, and had discussed with him the "advantages of the contract to his constituency."

3. That at least one department official had recommended certain provisions in the draft contract solely on the basis of statements by Maj. James E. Hahn, president of the John Inglis Co.

4. That the interdepartmental committee had accepted, after some questioning, the "understanding" of its chairman, Gen. Lafleche, that the British War Office would do business with no other firm in Canada but the Inglis firm.

No Tenders Called

It was on this basis, according to the evidence of C. Fraser Elliott, K.C., commissioner of income tax and a member of the committee, that this body had dropped any thought of seeking competitive tenders and had concentrated on study of the Inglis contract.

Mr. Elliott recalled that the committee time and again had come back to the possibilities of getting competitive bids in placing the contract. It had wanted a categorical statement from the British War Office that it wouldn't deal with any other man but Major Hahn, It had wanted more information about the Inglis Co.

There had been discussion, Mr. Elliott said, as to whether the committee, appointed by order in council "to protect the public interest" in such contracts, should refer the matter to cabinet. Commissioner Davis found it difficult to understand why this had not been done. His Lordship commented:

"The committee was appointed by order-in-council. Do you conceive it your duty to report back to the cabinet or to the department head? When you acquiesced in the chairman's view that after all it was the department's responsibility you said in effect: 'Oh well, there is nothing further for

(Continued on page 5, col. 3)

Montreal Power September Output of Electricity Down

Montreal Light, Heat & Power's electricity output in September was 93.0 million kw.h., a decline of 2.73% from the same month last year. For the year to date output totals 824.7 million kw.h., compared with 842.6 million kw.h

Gas output last month totalled 428.9 million cu. ft.; a slight gain over the same month last year and the first increase in some time. For the nine month period output was 3,694.6 million cu. ft., as against 3,742.8 million cu. ft.

Highlights of the Week

In 1937 property to the value of $22.7 millions was destroyed by fire and 246 lives wiped out. Fire losses in recent years have shown a substantial decline. This has in large measure been due to the work done by the fire prevention authorities who each year bring to the public the need of every effort to check this waste.

Fire Prevention Week—p. 12-13.

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Another record in mineral production for the province of Manitoba this year is predicted by the provincial Minister of Mines McDiarmid in a review of the first six months' mining and exploration.

Manitoba's Mine Output—p. 19.

In the formidable fifties is the way Atticus this week refers to the rulers of the western world. He points out that all the chief actors in the recent European drama are in the 50's; that they began life in a comparatively peaceful, relatively simple world.

Atticus—p. 20.

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—Associated Screen News.

Finance and Government—At left, R. P. Jellett, newly-appointed chairman of the executive, Canadian Chamber of Commerce, and general manager, Royal Trust Co., chats with his guest, Hon. C. D. Howe, Minister of Transport, at the annual C. of C. banquet, Seigniory Club, P.Q.

Britain Hastens Adjustment Of Broad European Problem

Chamberlain Seeking to Capitalize On Current Impetus Toward Peace

By FLOYD S. CHALMERS
Editor, The Financial Post

LONDON.—(By cable)—The dominant question upon which rests world stability and progress in the visible future is this: What poisons of hatred, of lust for power and empire, of conflicting interests and ambitions, were sweated out of the European situation by the fever of the recent war crisis?

The rumble of the war drums in Central Europe has barely died away. But the diplomatic doctors in the foreign office consulting rooms are cautiously hopeful. The passing of the crisis, they feel, has sufficiently reduced the temperature of European friction to pave the way for broader settlement.

In the meantime, last week's hero who pulled Europe back from war's brink and forged a peaceful adjustment of a potentially terrible tension, finds himself pursued by a baying pack of critics. But the denunciation of those who found wisdom after the event apparently leaves him unmoved. Prime Minister Chamberlain is already proceeding to map out larger plans for the political and economic appeasement of clashing European interests.

His lack of desire to capitalize his success with an election at this time is due to his unwillingness to waste precious moments, when world opinion is mobilized as never before in support of any move toward peace.

Hitler's Eyes Opened

One of the most significant factors in the present situation, and one which Mr. Chamberlain evidently wants to make the most of, is that crystallizing world opinion finally penetrated to the semi-mystic mind of Hitler, and saved peace.

British policy now plans to take full advantage of what British leaders believe to be Hitler's new mood. The diehard elements of both the Right and the Leftist camps of general opinion are sceptical. They do not believe that Hitler is sincere in forswearing any further territorial ambitions and promising peace.

But Chamberlain is determined to give the dictators a chance, and to demonstrate faith by taking their words at their face value until they are proved insincere. He aims to press what is at least an ostensible advantage to achieve settlement of the most outstanding issues.

Rearmament Speeded

At the same time, however, Britain plans to speed the peace of her rearmament programme and the organization of her manpower for the most effective defense possible. The unsteadiness of France and the unreliability of Soviet Russia in the recent crisis, both demonstrated to Britain the mistake of relying on united action with other countries to produce pressure against aggression.

Taking advantage of this lesson, British leaders are doing everything possible to prevent Britain ever again being caught unprepared or unable to cope with attack, with or without allies. In the meantime, abatement of the crisis has given precious time for preparations.

Democracy Let Down?

Many Britishers are a bit ashamed and unhappy over the Munich settlement, feeling that a sister democracy has been let down. But in informed quarters, a different view is taken. From such sources comes the insistence that the Czechs were more responsible than any other interest for making settlement of the Sudeten deadlock difficult.

Furthermore, such competent analysts realize the necessity, in the light of present conditions, of liquidating the mistakes bred at Versailles, and ending the French policy of a ring of eastern alliances around Germany.

Spanish Problem

Perhaps the strongest single factor promising a peaceful dissolution of these demonstrated errors is currently Hitler's unique and genuine admiration of Chamberlain. In addition to auguring well for general European appeasement, it may influence settlement of the civil war in Spain. Disposition of the Spanish problem will probably be preceded by gradual withdrawal of foreign volunteers fighting on both sides.

With this step accomplished, there would be good prospect of an armistice and peace negotiations leading to provisional partition of Spanish territory between the Loyalist Government and General Franco. The hope now entertained is that such a partition would be only temporary, and might disappear in ultimate reunion of the presently warring factions and the territories they control.

Montreal Loan Still on Shelves

Last Two Loan Flotations Have Not Been Successful

From Our Own Correspondent

MONTREAL.—Almost $2.5 millions of the last two loan flotations of the city of Montreal remain unsold. Furthermore, options on the issues have expired so that new arrangements will have to be made by the city.

Of the $4 millions issue of 8½-year 4% bonds offered in July, $750,000 remains unsold. This issue was offered by a syndicate headed by Savard Hodgson & Co. and W. C. Pitfield & Co., $1½ millions of the issue being firmly underwritten and the remainder under option to Sept. 30.

Failure of the underwriters to dispose of this issue is largely due to unsettlement of the market as a result of conditions in Europe. For the past month and a half it has been impossible to get investors to make large commitments.

There also remains unsold about $1.7 million of the $5 millions issue offered in March by the same syndicate. The March issue, which was offered on an option basis only, consisted of $2.5 millions of 3½% 5-year bonds and $2.5 millions of 4% 11½-year bonds. All of the 11½-year bonds were disposed of, but only $800,000 of the five-year bonds were sold.

A number of factors contributed to the failure of this flotation. The principal factor, however, was the unsuitability of the short term bonds in the existing market. Five-year bonds are for the most part attractive only to institutional investors such as the banks and insurance companies. Many institutions do not feel disposed to enlarge their holdings of Montreal bonds at this time. In fact, some of them have been sellers in recent months.

Japan Is Taking Lots of Copper

From Our Own Correspondent

VANCOUVER.—Copper is one commodity that Japan is ready to buy without hesitation and at a premium. One company alone in British Columbia, Granby Consolidated Mining & Smelting Co., is now shipping almost its entire output or about 4,500 tons every month.

So great has been the demand for copper in Japan that Granby has progressively increased its capacity since the plant was reopened at Allenby the summer of 1937.

The concentrator was originally built with a capacity of 2,500 tons of ore daily. When it was reopened, operations were on a 2,000 ton basis for several months, being gradually stepped up to the present 3,600 tons a day.

Cuba-Canada Sugar Plans Rehabilitation

Scheme Offers Chance to Holders of "Worthless" Securities

LIFT DEBT BURDEN

From Our Own Correspondent

MONTREAL.—Given up for dead many years ago, the Cuban-Canadian Sugar Co. has come to life. Stockholders will meet on Oct. 31 to consider a reorganization plan designed to rehabilitate the enterprise and, it is hoped, place a real value behind bonds and stocks which have been regarded generally by their owners as being worthless bits of paper.

More than a decade ago, Cuban-Canadian was well known to the Canadian investor. Its bonds and stocks were widely held in this country. The company had and still has a sugar mill with an annual capacity of over 250,000 bags at Ingenio Rio Cauto, Cuba. In addition it owns a large acreage of sugar lands, a railway, equipment and a settlement for employees.

Burdened With Debt

The break in the sugar market in 1920 nearly put Cuba-Canadian Sugar under, but it managed to hold on. Then came a series of bad years, climaxed by the restrictions placed by the United States on sugar imports. No dividends were paid on the preferred or the common stocks. In 1929 interest was passed on the bonded debt. Bank loans were incurred and, in order to stave off complete bankruptcy, Royal Securities threw some $700,000 into the pot with the hope that the enterprise would pull through.

Operations have continued unbroken, but the heavy debt structure contracted by the company has placed it in an impossible position. Reorganization is the only way in which anything can be saved for the shareholders, while the creditors and bondholders stand to suffer heavy losses if foreclosure proceedings are taken.

Need for Co-operation

A plan of reorganization has been worked out which involves sacrifices by the senior creditors, but, at the same time, gives something to the stockholders who up to this time had written off their investment to experience. But the plan cannot go through unless two thirds of the stock and two thirds of the holders vote approval. The sponsors of the plan face a heavy task in getting together the necessary quorum to make the plan effective. If it can be done the shareholders will still retain an interest in the property on a basis which holds out possibilities of salvaging some of their investment.

Trend of Earnings

In the letter to the shareholders covering the reorganization plan, the trend of earnings since 1928 is shown. This table reveals that losses were reported in 4 of the last 10 years. However, for the period there was an average annual operating profit of $52,625. The plan of reorganization is based upon the ability of the company to earn fixed charges of around $29,000 a year. This is within the earning power of the company. Under the present debt structure the company has not been able to earn interest charges in any of the last 10 years, even without making any provision for depreciation or amortization.

Plan for Stockholders

The plan proposes that the 40,000 shares of 8% preferred of the par value of $100 each be converted into the same number of common shares of the par value of $5 each.

The outstanding 50,000 common shares of the par value of $100 each will be converted into 2,500 new shares; in other words, for each share of $100 par value now held, the holder will receive 25 cents of new common stock.

The 6% first mortgage bonds maturing Dec. 31, 1937, will be ex-

(Continued on page 2, col. 3)

Confidence Restored Business Boom Seen

Fading of War Clouds Will Revive Huge Spending Plans — Fourth Quarter Prospect Bright

Business enters the fourth quarter—on the march.

With the lifting of war clouds, paralyzing uncertainty has disappeared and the upturn which promised in the summer should now materialize.

In the banks of Canada $1,200 millions are ready to be put to work. In the United States $52 billions are resting on deposit. In Britain, London clearing house banks alone hold deposits of $11 billions.

Lack of confidence took this money out of trade, construction and industry. Now a major factor in that lack of confidence has been dispelled.

The stock markets have responded rapidly to the sudden change in the outlook. Bonds are moving steadily upward.

And already Canadian industry is showing signs of preparing for expansion. In the last few days Steel of Canada and Page-Hersey Tubes have both announced extensive building programmes are being considered.

Business charts again mean something—and they are pointing upward. They are turning up in Canada without having followed the United States curve to the bottom as the accompanying chart shows.

Apart from giving new life to the mining stock market, there are three important effects which the outlook for peace has on the mining industry. A few "if's" about gold which hung in a warlike sky are wiped away. Base metals, though producers of war materials, now have the double advantage of a world remaining armed, continuing its armament programmes, and at the same time stepping up peace purchases. Thirdly, much money frightened by the outlook of the past five years will now be available for the vital work of exploration and mine development.

Resume Normal Buying

The threat of war dried up family buying and corporation buying. Why buy a new suit when you might be in uniform? why build a new store or office when war might bring ordinary business to its knees?

Now suddenly everything has changed. With war scares over, normal buying may be resumed.

Almost unnoticed in recent weeks has been the substantial business recovery in the United States, and Canada is more than politely interested in the trend of American business. To the U. S. goes 40% of our exports, including practically all our gold and the great bulk of newsprint and nickel. From it comes more than half our imports.

Billions of U. S. money is invested in Canada and no small amount of Canadian money in the United States. Our stocks rise and fall with the fluctuations of Wall Street. Whether we like it or not our economic life is geared to that of the big republic.

Unsatisfactory conditions in the United States have been the other big factor in the Canadian business outlook. Just a year ago, when conditions were progressing satisfactorily in Canada, something seemed to go wrong in the States. Buyers there were growing cautious. Sellers grew nervous, then alarmed, finally panicky. Each stage lasted about six weeks. By last January what at first appeared to be a mild recession was recognized as a serious slump. Prices, demand, employment, all fell precipitately. The chart shows the tumble.

Until the first of the year Canada resisted the downward trend but finally gave in to a moderate extent. Business declined from a third to half as much as in the United States. But so long as there was no definite upturn across the line there could be no real confidence here.

Vital U. S. Recovery

Now with the U. S. business index sharply pointing upward, the whole situation is altered. There is a most reasonable expectation that the Canadian index, firmly flattened since April, will short circuit the recent American depression and move up from its present level.

In short, two of the heaviest clouds that have ever darkened the Canadian business horizon—a world war and an American slump—have lifted.

There has been some damage in the nature of stock market losses, drop in exports and shrinkage of tourist trade. There are still some worries largely regarding outcome of our government wheat-selling venture; how long the Washington authorities will continue pump priming and the impending trade treaty with the United States.

Prairie Morale Restored

But there has been substantial improvement in the foundation of Canadian business in recent months. Of major importance is the first real wheat crop in six years. This restores purchasing power to a huge area of the Dominion which has been on actual relief. Instead of pouring money into the southern prairies this fall, millions will be coming out. Of even greater value has been the restoration of human morale and of faith in the agricultural fertility of Canada's wheat belt.

Coinciding with this western comeback are increasing indications of recovery in newsprint. Since the first of the year this great industry has been operating at about two thirds the 1937 capacity. Production has been sharply cut to conform to the drastic shrinkage in exports to the United States. Now with steady business recovery in that country and international peace, advertising appropriations are bound to be restored, paper consumption to rise.

Let the Public Know the Facts

Importance of Public Relations to Management Stressed

By JOHN E. LANGDON
Eastern Editor, The Financial Post

SEIGNIORY CLUB, P.Q.—Satisfactory public relations have a definite value to management, D. K. Baldwin, director of Nesbitt Thomson & Co., and president of Investment Dealers Association of Canada, told the delegates to the annual convention of the Canadian Chamber of Commerce. By using every method available for the disclosure of reliable and timely information, he said, management lightened its burden of responsibility, prevented rumors and misunderstandings, improved the credit of the company, broadened interest in the company and its products, and developed an atmosphere of confidence so important in all public relations.

The modern corporation, having shareholders numbered by thousands and residing in various countries, creates complex problems in the relations between management and the investor. It is essential to the advancement of their mutual interests that there exist definite points of contact. To this end Mr. Baldwin outlined to the meeting a number of pertinent points bearing on public relations.

Avoid "Routine Meetings"

The annual meeting of a company, he said, offers an opportunity for management by its attitude to shareholders and through the medium of the chairman's annual address to foster the realization among shareholders of that partnership which should exist in fact as well as in theory. This opportunity is too often missed, Mr. Baldwin contended, resulting in the press report-

(Continued on page 7, col. 5)

Pipe-line Promoters Active

British Aid Sought by Many For Oil Outlet Proposals

LONDON (by cable) — Several groups representing Canadian financial interests are here seeking British capital for the construction of a pipe line to handle Alberta crude oil.

All of them are attempting to secure interviews with officials of the Admiralty and the Air Ministry, considerably to the embarrassment of both offices.

It is understood that these departments are fully prepared to discuss the Alberta oil situation with a responsible group from the point of view of Alberta as a source of supply. But they are unable to assist in any financing arrangements.

Most of the pipe-line schemes being put forth envisage an outlet on the Pacific Coast but one plan calls for a line running eastward to the head of the Great Lakes. For this latter scheme, support is being sought by a leading investment house which already has some holdings in Alberta oil stocks. Objective of its agents here is British backing for the plan up to $25 millions once the attitude of the Government is made clear.

The much advertised German scheme was never taken very seriously here owing largely to the unimpressive record of the promoters.

There is one strong British group which is seriously considering the proposition, but it wants to take on any scheme quite apart from any Canadian group of promoters.

They are planning to make a thorough study of the engineering problems involved and of the economics of the scheme. If the report is favorable, they would then consider making whatever investment was necessary.

The waters of the pipe-line problem are greatly muddied here by the multiplicity of shoestring promoters who are seeking capital or government contracts.

The feeling here definitely favors a competent and responsible spokesman of the Alberta oil operators coming to London and setting forth their needs to financial and official circles.

It is estimated by construction interests that a pipe line from Calgary, either east to the head of the lakes or west to the Pacific could be completed in six months if required. For a line to lakehead, four months has been suggested. Crossing the prairies presents a minimum of difficulties with modearn ditching and pipe-laying machines. Across the Rockies would involve some very difficult ditching, also very much heavier pumping machinery.

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MEN'S SHOP
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BAY STREET SECTION

EATON'S - COLLEGE STREET

The Nation's Business

(Continued from page 1)

of wealth, of education and of culture?"

Speaking as an Ontario boy who went West 17 years ago, Mr. Imrie feels that the call for leadership on the part of Ontario is as clear and insistent as it was 70 years ago when the new relationships of Confederation were in the making.

At that time Ontario, then Upper Canada, showed no lack of leadership, no lack of willingness to embark on new and untried legislative waters.

Today he suggests that there are "misgivings in other provinces" about Ontario's attitude; a fear that "success and wealth have dimmed her pioneering, crusading spirit"; that Ontario is now content to maintain the status quo, unwilling to "embark on further change."

* * *

IN VIEW of the attitude taken by Premier Mitchell Hepburn concerning the Rowell Commission, Mr. Imrie may be pardoned for expressing western "misgivings" as to Ontario's stand in the cause of national unity.

At the time Ontario presented her brief before the Commission, The Financial Post protested vigorously that it was unworthy of the senior partner in Confederation. Since that time the official attitude of the Government has been even more disappointing.

But it is not only Ontario that has failed to give evidence of strong leadership. The Dominion Government itself has been equally culpable.

Ottawa gave the lead originally by appointing the Rowell Commission to study and appraise the whole vexed field of federal-provincial relationships. Since that time it has all but allowed the Commission's work to go by default. It has failed to preach and crusade for national unity, failed to "go to bat" for its own brain child.

This question of national unity is intimately bound up with a constructive policy on the part of Ottawa. Were Ottawa to take a positive rather than a negative stand there would be little time lost in finding out where the people of Ontario really stood.

Mr. Imrie's question as to where Canada is to find leadership in promoting Canadian unity is one which should first be directed to the Dominion Government.

It is to Prime Minister King that Canada looks first for leadership.

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Hamilton Coke	9		

MINES AND OILS

Arno	18	Jellicoe	18
Aldermac	18	Kelsey Gold	18
Brownlee	18	La Luz	18
Bush Lake	18	Lapa Cad.	18
Britcana	18	Lamaque	19
Big Master	18	Mitnor	19
Bralorne	18	Macassa	18
Bidgood	18	Mak Siccar	18
Charles L. L.	18	Nipsona	18
Central Porc.	18	Pirate Gold	19
Chromium	18	Paymaster	18
Cataraqui	18	Porc. Lake	18
Canty Gold	18	Pickle Crow	18
Calgary & Ed.	18	Privateer	18
Central Pat.	18	Partanen	18
Cariboo	18, 20	Shenango	19
Denison	18	Spy Hill	20
Eldorado	18	Shinintree	19
Faulkenham	18	Sheep Creek	18
Flavrian	18	Sigma	18
Gates Pete.	19	Toburn	18
Gold. Gate	18	Teck-Hughes	19
Goldbanks	18	Uchi	18
Hard Rock	18	Upper Seine	18
Halcrow-S.	18	United Gold	18
J.-M. Cons.	18	Washington	18
Jason Gold	18	Waite-Amulet	17
Jacola	18	Zeballos	18

QUOTATIONS

Bonds	16, 17	Industrials	17
Grain	17	Mines & Oils	16
Foreign Exchange	7		

Imperial Builds Wharf

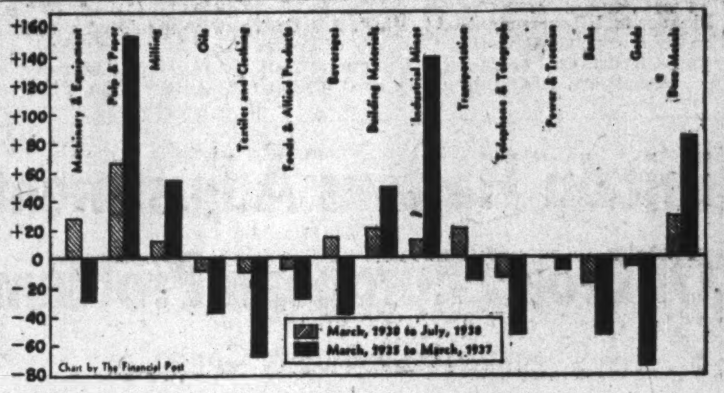
Imperial Oil Ltd. has filed a description of a wharf and floats which it proposes to build at Namu Harbor, B.C. At the expiration of one month from the date of the notice, Sept. 22, 1938, application will be made to the Minister of Public Works, Ottawa, for approval of the site and plans.

Modern,
EXPERIENCED BANKING SERVICE
... the outcome of 120 years of successful banking operation.

A MILLION DEPOSIT ACCOUNTS DENOTE CONFIDENCE

BANK OF MONTREAL
ESTABLISHED 1817
HEAD OFFICE MONTREAL
TOTAL ASSETS IN EXCESS OF

BEFORE YOU INSURE — CONSULT
CONFEDERATION LIFE ASSOCIATION
HEAD OFFICE TORONTO



STOCKS THAT MOVE AND OTHERS

In this chart the comparative ability of component group indices of the Dominion Bureau of Statistics stock index to move up when conditions are favorable is shown. Taking the percentage gains made by the major common stock index in two periods of rising markets as a standard, a line below the main trend line shows that a particular group of stocks failed by that much to move up as rapidly as all stocks; above the main trend line shows better than average ability to gain in price.

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Support Your Credit Manager
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As no single factor in your business dissipates profits as rapidly as bad debts.
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MUTUAL LIFE ASSURANCE

HEAD OFFICE: 3 GEORGE STREET, EDINBURGH
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CP32

EDINBURGH CASTLE · SCOTLAND

Branch Offices are maintained in the following cities: TORONTO, LONDON, OTTAWA and HAMILTON, ONT., MONTREAL, P.Q., FREDERICTON and ST. JOHN, N.B., HALIFAX, N.S., and VANCOUVER, B.C.

Cuba-Canada Rehabilitation

(Continued from page 1)

changed par for par for new first mortgage bonds maturing in 1957 and carrying interest from and after Jan. 1, 1938, at 1% for the first four years; 2% for the following two years; 3% for the next two years; 4% for the succeeding two years and 5% thereafter to maturity.

A sinking fund of $100,000 annually will be set up in 1939 to be applied first against the demand loan (mentioned later on), secondly against the unsecured notes and thirdly against the first mortgage bonds. It is provided that if the sinking fund is not set up in any year prior to 1945, there shall be no default unless the sinking fund is in arrears for two years.

Interest accrued and unpaid on the existing first mortgage bonds from July 1, 1929, to Dec. 31, 1937, and amounting to $765,000, will be liquidated at the rate of one share of new common for every $100 of accrued interest. 7,650 shares will be required for this purpose.

At present there are issued $1,200,000 of 6% general mortgage bonds. Accrued interest amounts to $504,000. Interest and $600,000 of the principal amount will be satisfied at the rate of $100 for one share of new common, requiring 11,040 common shares in all. The balance of $600,000 of principal amount will be converted into $600,000 12-year unsecured notes carrying interest at 1% annually during the first four years; 2% during the next four years and 3% thereafter.

Bank and Royal Securities

Bank loans and advances with interest thereon amounting to $1,124,534 will be satisfied to the extent of $324,534 through the issue of 3,245 common shares and the balance of $800,000 will be left as a demand loan carrying interest at 1% annually.

It is stated in the plan that net cash assets of the company as at the end of 1937 shall be applied, as realized, on this demand loan, and bank advances made during 1937 applicable to the 1937-38 crop amounting to $283,151 and forming part of the demand loan shall be retired as the products of the 1937-38 crop are disposed of.

Noted and miscellaneous items due to Royal Securities Corp. and interest thereon, amounting to $1,399,518, will be satisfied by the issuance of 13,995 shares of common stock.

Briefly at the end of 1937 the company had the following outstanding liabilities and capital stock:

Owing to	Amount
Banks	$1,124,534
First Mortgage Bondholders	2,265,000
Second Mortgage Bondholders	1,704,000
Royal Securities	1,399,518
Preferred	4,000,000
Common	5,000,000
Total	$15,493,052

Cut Capital to One Fifth

If the plan is adopted the company will have the following set-up:

	Par Value Amount
1% Demand Loan	$ 800,000
1st Mortgage Bonds	1,500,000
Unsecured Notes	600,000
Stock (78,430 shares)	392,150
Total	$3,292,150

Eyes on Active Stocks

(Continued from page 1)

prices in the past two stock market moves upward, pulp and paper stocks seem to have given best performance. Production of this industry is largely dependent on business activity and its history has again and again demonstrated greater than average fluctuations, thus accentuating upward, and also downward, stock moves. Included in the group are Abitibi, Bathurst Power & Paper, Dryden Paper, Hinde & Dauch, Howard Smith, Price Bros. and St. Lawrence Corp.

Milling securities all compare favorably, but in this case the controlling factors would seem to be partly Canadian crop conditions and wheat prices and partly foreign trade and demand for Canadian wheat and flour. Having just completed a very unfavorable year, this industry looks forward with much more optimism —barring adverse news in the forthcoming Canada-U.S. trade pact.

Stocks included in the group are Lake of the Woods, Maple Leaf Milling, Ogilvie and Western Canada Flour.

Building material stocks, as tabulated by the D. B. S., include several that in a more detailed classification would be given separate groups, but it is a typical business cycle list. When building and construction generally are active, this group prospers exceedingly but its famine periods are equally severe. Stocks used in the index are Building Products, Canadian Bronze, Canada Cement, Canadian Dredge, Canada Wire & Cable A and B, Dominion Bridge, Dominion Glass, Foundation Co., Gypsum, Lime & Alabastine, Hamilton Bridge, Sherwin-Williams, Steel of Canada, Dominion Steel & Coal B, and United Steel.

The industrial mines, consisting only of two stocks, International Nickel and Consolidated Mining & Smelting, did particularly well in the 1935 to 1937 period. Earnings, and therefore stock prices, tend to fluctuate up or down with base metal prices but are also influenced by business activity, particularly in the "heavy" industries.

Base metals, also giving an excellent market performance, are influenced much as are the industrial mines.

Machinery and equipment group gave a good performance in 1938 but was well below the average in 1937. This group includes Canadian Car & Foundry, Cockshutt Plow, Ford A, General Steel Wares, Kelvinator, Massey-Harris, National Steel Car and Page-Hersey. Some of these stocks have performed spectacularly on the ground of armament building and airplanes, others on the basis of better agricultural income. These are factors that generally developed after the end of the 1935 to 1937 period.

Beverages include Associated Breweries, Canadian Industrial Alcohol, Canadian Wineries, Distillers Corp.-Seagrams, National Breweries and Hiram Walker. The group performance has perhaps been improved by higher dividends, particularly for Seagrams and other matters.

Transportation includes only Canada Steamship Lines and Canadian Pacific. Volume of traffic for both, and therefore revenues, depend on business activity, better crops and lake freight rates. The latter two factors have been favorable recently and probably accounted for the better comparative performance this year.

Oils have moved less than the average in both periods. This group includes British American Oil, Imperial Oil, International Petroleum and McColl-Frontenac. Ordinarily it would be considered that consumption of gasoline and oil would grow with increasing business activity and this has apparently been the case. But trend of profits for the industry has not been quite as clear.

Textiles and clothing securities have been badgered by investigations and labor troubles. The attitude of the companies in playing up their troubles has probably not done much to make the stocks popular with investors. Ten stocks are included as follows: Bruck Silk, Canadian Celanese, Cosmos Imperial, Dominion Textile, Harding Carpets, Montreal Cottons, Penmans, Regent Knitting, Tip Top Tailors and Wabasso Cottons. Earnings may be affected by price swings for cottons and woollens, commodities subject to world conditions.

Foods and allied products is normally a stable group, with sales volume and earnings not as likely to change as much from year to year as some others. For this reason it is not a group to look to for great capital appreciation. In this case, also, however, commodity price levels have an influence particularly for meat packers, canners and wholesalers. Included in the group are Canada Bread, Canadian Canners, Canada Packers, Consolidated Bakeries, Dominion Stores, Eastern Dairies, Fanny Farmer, Imperial Tobacco, Loblaw, National Grocers and George Weston.

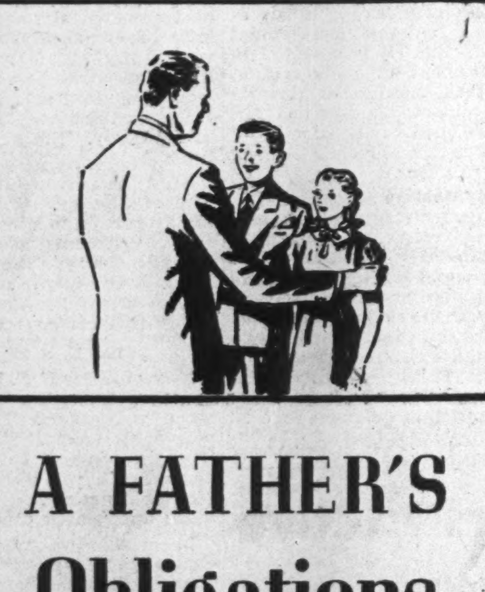
Telephone and Telegraph stocks considered in these indices include Bell Telephone and Montreal Telegraph. The latter in particular is a stock with a stable market price but the former is more active. There is, however, a lag in profit changes.

The power and traction group has come closer than any other in following the major index although never quite attaining the same percentage of gain. The group contains 13 stocks: Brazilian, Beauharnois, B. C. Power, Canada Northern Power, Consumers' Gas, Montreal Power, Montreal Tramways, Power Corp., Quebec Power, Shawinigan, Southern Canada Power, Union Gas, and Winnipeg Electric.

Bank stocks appear to carry the traditional conservatism of bank policies into the movements of their stocks for they do not come close to attaining average price upturns.

No mention has been made here of individual stocks that may have eclipsed others in their groups. And it is also possible that other periods could profitably have been included in the study.

AIRCRAFT « « « A Good Investment
Manufacturers for the British Empire of
THE WHITE GULL AMPHIBIAN
THE WHITE HAWK CONVERTIBLE
Plant at Gravenhurst, Ont., now in operation.
BUY THROUGH YOUR OWN BROKER
Send for your prospectus.
WHITE AIRCRAFT (CANADA) LIMITED
513-520 MONTREAL TRUST BLDG. — — TORONTO, ONT.



A FATHER'S Obligations

How often do you meditate on the future of your children? Not for tomorrow or next week, but five, ten or twenty years from now. You of course, want to do everything possible to make their lives secure.

A trust fund can be a bulwark for your children in the years ahead. We should like to talk with you about our services as trustee of such a fund.

Crown Trust Company
Executors :: Trustees :: Financial Agents
MONTREAL 393 St. James Street
TORONTO 80 King Street West
Let us serve you and your family

Weekly Record of Financing in Canada

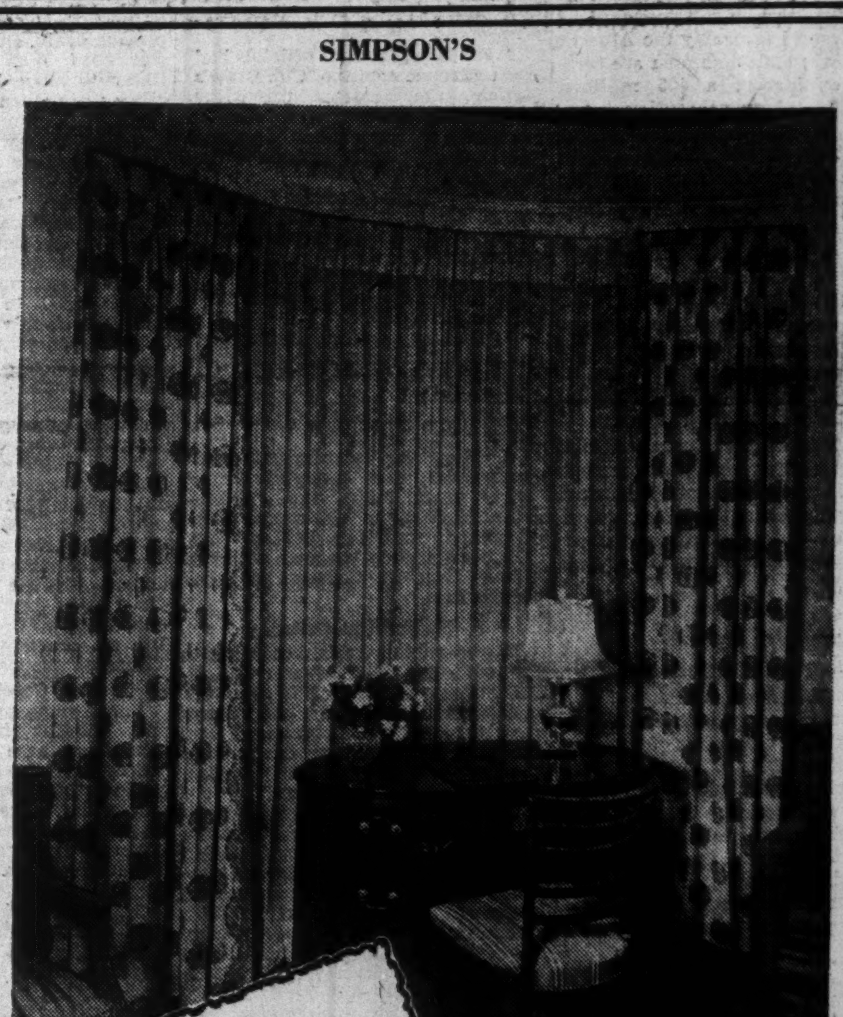
SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
St. Hyacinthe, P.Q.	Que.	Bk. Can. Nationale, Savard Hodgson & Co., Mills, Spence & Co.	3½%	30-ser.	$248,000	97.28	3.71%
Twp. of Ancaster, Ont.	Sept.	Privately	4½%	10-ins.	2,162	101.75	.....
Village of Swansea, Ont.	Sept.	Aird, McLeod & Co.	4½%	14-yr.	18,059	101.30	.....
St. Thomas, Ont.	Oct.	Wood, Gundy & Co.	3%	1939-48	51,000	99.88	3.03%
Dominion—							
Canada Treasury Bills	Oct.	.....	....	Dec. 30	$25,000,000	99.810	.760%
Port Alfred, P.Q.	Oct.	Bk. Can. Nationale	4%	1939-48	103,500	98.25	.....

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Syndics de la Paroisse de Notre Dame de Lourdes de Verdun	Oct.	Societe Generale de Finance	3½-4%	1939-53	$315,000	100	.....
La Sanatorium Saint-Georges	Sept.	Dube, Leblond & Co.	4%	1939-50	500,000	100	4%

SIMPSON'S



See the new "APARTMENTS OF TODAY"

Drop in soon. You'll find "APARTMENTS OF TODAY" a treasure trove of ideas — practical, usable ideas. You'll find them, too, a revelation of how little good taste can cost.

British Colonial and Swedish Modern . . . the two most-talked-of trends in present-day decorative schemes are exemplified in "APARTMENTS OF TODAY". Illustrated above is a small section of the living room in the 3½-room apartment.

Whether it is the decoration of a new home, the freshening of a single room, or the selection of a single piece of furniture . . . SIMPSON'S staff of experienced decorators offers skilled assistance. If you desire advice, please consult SIMPSON'S "Homefurnishing Service". There is no charge, of course. FIFTH FLOOR.

See also

"House of Ideas" —so inexpensive yet smart.

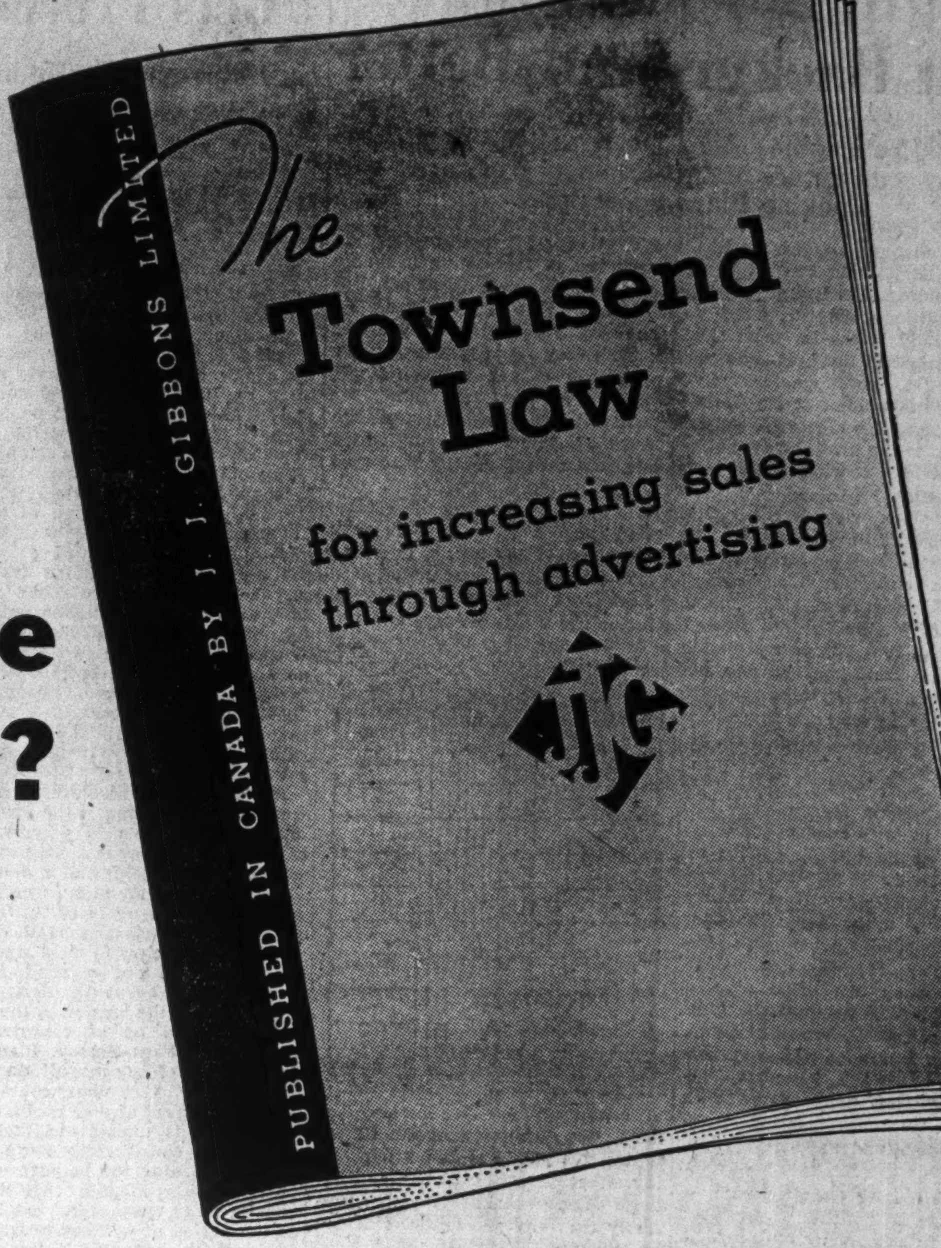
"Avon House" —with its dignified interpretations of contemporary trends.

Simpson's

To all buyers of national advertising

DO YOU KNOW THAT—

The SELLING-POWER of your advertising can now be measured before publication?



27 basic, sales-producing elements have been identified, and the Townsend Pre-Evaluation system is now producing big sales increases for more than 200 national advertisers, and can do the same for you.

You can profit from this system without one dollar of additional cost.

Hailed as the first truly scientific step toward the elimination of waste and uncertainty in advertising, the Townsend system of Pre-Evaluation, based on the Townsend Law of Advertising, is now available to national advertisers in Canada. The system definitely solves many problems which have perplexed advertisers for over half a century.

Perhaps you have asked yourself and those in charge of your advertising program such questions as these:

Can *anybody* tell before publication which of several advertisements will sell the most goods or services?

Can *anybody* tell why an advertisement succeeds or fails?

Can *anybody* identify the sales-producing elements that are necessary to give advertising pulling power?

Does *anyone* know how to assemble these sales-producing elements in the right order and in a way to insure maximum results?

A very few years ago the answer to all of these questions was: "No!"

The answer today is: "Yes! Definitely!"

The Townsend system answers all these questions, and many others.

It is the result of fifteen years of research by W. S. and A. J. Townsend and their associates, who have collected, classified, tested and sifted evidence of selling-power in more than 600 advertising campaigns. With the precision of scientists, they have isolated the germs of advertising success. They have identified 27 basic selling elements which were found to be present in conspicuously successful advertising, and almost always absent in advertising failures.

The 27 basic selling elements were not *invented* by the Townsends. They were *discovered* by studying advertising successes and failures in scores of different fields over a good many years. They are the *unvariables* which consistently produce success, no matter how 'different' the product or the market or the medium may be. They provide *standards* governing the sales-producing 'parts' of an advertisement, and their 'assembly' in layout and copy, just as *standards* are applied in the processes of efficient manufacturing.

The Townsend Law of Advertising, based on the inclusion of these 27 basic selling elements in proper sequence, has taken the gamble out of advertising.

Prior to the discovery of the Townsend Law nobody knew how to measure the selling-power of an advertisement. Today, it is possible for you to *know* that an advertisement will pull before you spend your money.

These brief case histories are evidence of what happens when the 27 basic selling elements are properly utilized:

Case No. 1—Two advertisements offering a free sample. One outpulled the other by ten to one. The failure omitted most of the 27 basic elements.

Case No. 2—Two advertisements offering a cook book. One was 122% more effective than the other. The profitable advertisement contained 24 of the 27 basic elements—the unprofitable advertisement only 14.

Case No. 3—National campaign for a cigarette. While this product was gaining leadership the advertising invariably contained more than 20 of the basic elements. The copy appeal was changed, using an average of only 10 of the basic elements. Sales slumped. Leadership was lost.

Case No. 4—Two department store advertisements for a specific product. One produced sales of $29.50—the other, with a change of two words in the headline, prompted by the Townsend Law, produced sales of $5,310.00, using the same space in the same medium.

Case No. 5—Five advertisements for a manufacturer of furnishings. Four of these, with a low proportion of basic elements, produced an average of 2,160 enquiries. The fifth, with a high proportion of basic elements, produced 6,572 enquiries, using the same space in the same magazine.

Case No. 6—A manufacturer who ranked seventh in a field of 10 competitors. After using the Townsend method of advertising Pre-Evaluation for 15 months, this firm took third position in percentage of sales increase over the previous year.

The Townsend system has now been in operation long enough in the United States to demonstrate its value and success. For example, sales figures for eight users of the Townsend system show what happened even at a time when the business index in that country took a sharp down-turn:

Product No. 1—1938 sales 61 per cent. ahead of 1937.
Product No. 2—1938 sales 30 per cent. ahead of 1937.
Product No. 3—1938 sales 36 per cent. ahead of 1937.
Product No. 4—1938 sales 37 per cent. ahead of 1937.
Product No. 5—1938 sales 400 per cent. increase over 1937.
Product No. 6—1938 sales 45.5 per cent. ahead of 1937.
Product No. 7—1938 sales 65 per cent. ahead of 1937.
Product No. 8—Sales for 1938 to date running approximately double 1937.

More than 200 advertisers, buying $36,000,000 worth of space annually in United States publications, are now using the Townsend system of Pre-Evaluation. Fourteen recognized advertising agencies in the United States apply the Townsend Law to their clients' advertising. The system has been used by prominent companies in nineteen different fields of industry and *has increased sales in every case.*

It sounds unbelievable, doesn't it? But if you are open-minded, you will *hope* it is true.

In Canada, J. J. Gibbons Limited has the exclusive agency franchise to apply the Townsend system. Always abreast and often ahead of every fresh development in advertising technique, the House of Gibbons now offers its clients this added service—a service for which some of the largest and most discriminating advertisers in the United States are paying many thousands of dollars annually.

Yet this new and scientific method of Pre-Evaluating advertising has been incorporated into the regular service to Gibbons clients *without additional cost.*

The men in our creative department have been through a course of training which enables them to produce advertising containing the 27 Townsend basic selling elements, correctly expressed, in the right order and with sales-producing emphasis. No other agency in Canada can offer this sort of creative service, tested before publication by the Pre-Evaluation system.

Gibbons advertising—Gibbons service—plus the Townsend service—places advertising certainty on a new high plane in Canada.

Advertising thus prepared, checked and tested, will *unquestionably* produce greater sales response than ordinary advertising. Give J. J. Gibbons Limited the opportunity to demonstrate the value of this service for one year and you will soon feel a lift in your sales. The effects will rejuvenate your sales force, give fresh energy to dealers' efforts, increase profits, and contribute to the general well-being of your business.

Detailed information about this profit-producing system is available in a free booklet: *"The Townsend Law of Increasing Sales Through Advertising."* It answers the many rumours which have surrounded the 27 Townsend basic elements. It demonstrates that there is no magic or guesswork in the application of the system, and that it is no substitute for your knowledge of your own business. Neither does it take the place of creative thought. It is a new and important testing-tool which gives you outstanding advantage over competitors who continue to advertise on the old hit and miss basis.

Send the coupon today.

Who are the Townsends?

The brothers Townsend—W. S. and A. J.—were the heads of the Fry Equipment Company, manufacturing gasoline pumps. Starting their business with 60 employees, they built it up so successfully that, within five years, they were employing over 1,000 people, and their company had become one of the largest of its kind in the world, with annual earnings increasing from $23,000 to $1,040,000 in the five year period.

Early in their business career the advertising agents of the Fry Equipment Company placed three proposed double colour spreads for the *Saturday Evening Post* before the brothers Townsend and asked: "Which one do you like?" They replied: "The one which will sell the most gasoline pumps—which one is that?" And the agents, being honest men, replied that they did not know.

Checking into the matter, the Townsends found that there existed no rule or known plan whereby the sales value of advertisements could be compared and ascertained before publication, and they decided to make some researches into the matter of assessing the sales value of advertising.

As manufacturers they were accustomed to the use of standards. They knew that certain standards had to be used to procure successful results, and they figured that the same principle should hold true in advertising.

They commenced an intensive investigation extending over 16 years, studying over 600 national campaigns, to uncover the basic causes which account for a variation in advertising results, and finally, succeeded in identifying the 27 basic selling elements.

J. J. GIBBONS LIMITED

ADVERTISING AGENTS

EXCLUSIVE AGENCY FOR THE TOWNSEND SYSTEM IN CANADA

MONTREAL
TORONTO
WINNIPEG
REGINA
CALGARY
VANCOUVER

GIBBONS KNOWS CANADA

Coupon

Tear Out and Mail Today

J. J. GIBBONS LIMITED
159 BAY STREET, TORONTO

Please send me, without obligation, your booklet: "The Townsend Law for Increasing Sales Through Advertising."

NAME__________________

POSITION__________________

FIRM__________________

ADDRESS__________________

Investment Trends

Rise in Stocks Slows But Background Better

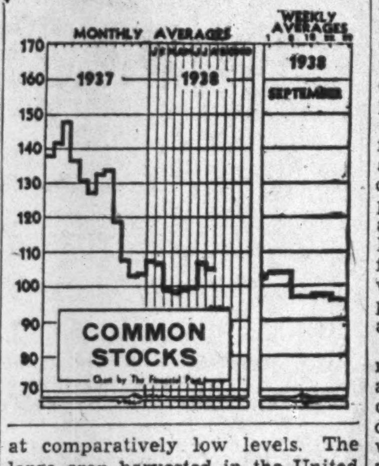
Already Noticeable Are Changes in Sentiment Towards Future of Investments—Forward Looking Plans Soon Come

What a change in sentiment in a few days! For the month preceding September 28 nothing seemed to be considered in forecasting probable course of stock prices except possibility of war. And stock prices acted in quite a traditional manner. They went down.

But already prices for most stocks have recovered practically all of the ground lost in the preceding month. This very rapid rise may leave some reason to doubt whether or not present levels can be maintained. More than one student of the market is looking for some reaction.

But there appears little ground to expect that any reaction would take stocks back to the levels of September 26 and 27. The background, which we can now look at without the war clouds, continues generally favorable for improvement.

Already stock prices, particularly in New York, are nearing the highest levels reached in the rise that began around June 20. If the various stock price indices could penetrate decisively through those levels, it would appear safe to interpret this as a sign for further resumption of the upward movement. At around 145.67 for the New York Dow-Jones industrial index, 126.85 for the Toronto Stock Exchange industrial average and 88.2 for Montreal, it would be reasonable to expect resistance to develop and there is the additional burden of profit-taking from those astute enough to get in early. Perhaps another period of hesitation may be seen.



* * *

A Few Guesses

Will there be many changes in fundamental investment conditions as a result of the abating of war scares? The answer must be affirmative. For one thing, many Canadian businessmen had already postponed plans under consideration. Construction work has dried up. In some cases where the advisability of dividend payments was in question, any action had been deferred. Already we have had at least two instances of firms going ahead with plans for major expansion—Steel Co. of Canada and Page-Hersey.

* * *

Arms Building Continues

But there seems little prospect for a let-up in armament building. A realistic approach to the whole question of the latest peace efforts cannot help but leave serious doubts as to their permanence. This means that key nations like Great Britain will take every precaution (armswise) to make sure they are not unprepared, if, as and when another crisis develops. Britain is now committed to proceed with plans for rearming already laid. Thus investment plans that had included recognition of rearmament, as most have this year, should continue to follow this line.

* * *

World Trade

If the peace agreements are enlarged and strengthened, a definite stimulus to world trade volume should be realized with attendant opportunities for profits. In this, Canadians should have a better than average chance of participating right at home. This country has many of the materials the world needs.

* * *

Foreign Capital

It is also possible that one of the first turns of events might be that the capital that took refuge in the United States, for example, and was held largely in cash deposits, according to reports, will turn to stock investments. It seems quite reasonable to expect these funds, made mobile as a result of fear, to be timid for a while regarding the outbreak of further disturbances. But its owners should be far enough reassured to take it out of the banks and put it into the stock market. Opinion in Europe, so far as it can be judged from published remarks, is favorable toward U.S. recovery in business. And it is more than possible that Canadian investment will come in for some attention.

* * *

Rubber Industry's Materials

News that prices for crude rubber reached a new 1938 high last week has considerable significance for the earnings of rubber manufacturers. Last year heavy inventory writedowns were necessary because of the slump in prices for raw cotton and crude rubber, which were near the year's low levels at the year-end. For most of 1938, crude rubber prices have remained not far from the low levels of the end of 1937, but recently a tendency to rise has been shown. This will have a twofold affect on the earnings of Goodyear, Dunlop and other rubber manufacturers. If present price levels hold—spot prices for crude rubber reached 16¾ cents a pound in New York at the end of last week—it should mean a profit on inventory valuations instead of last year's heavy loss. It is still too soon, of course, to be at all sure that rubber prices will remain around present levels for the remainder of this year, but the statistical position of the producing end of the industry has been strengthening.

On the other hand, higher prices for crude rubber mean higher costs for the manufacturer. Some downward adjustments were made in prices of automobile tires last summer and it is possible that profit margins may be somewhat endangered.

The rubber industry's other chief raw material, raw cotton, remains at comparatively low levels. The large crop harvested in the United States this year has had a depressing affect on cotton prices, and the large supply makes it rather unlikely that any substantial rise can be expected.

* * *

Footwear Business in Trouble

In his recent annual report, A. B. Hannay, secretary and manager of the Rubber Association of Canada, referred to the rubber footwear division of the industry as follows:

"What is happening to prices in the great rubber footwear industry is bound to make a substantial reduction in dollar returns to producing companies."

This is taken to mean that manufacturers who have a substantial stake in the manufacture of rubber footwear can be expected to show lower earnings from this division of their business.

* * *

Nearing End of Big Job

Typical of the great changes which the S.E.C. has brought about in the reorganization of the New York Stock Exchange is the election of three men to the governing board to represent the general public. This move completes the reorganization which started last May.

Latest additions to the governing board are all men who have no affiliation with the securities business. Carle C. Conway, chairman of the Continental Can Co.; Robert Wood, president of Sears, Roebuck and Co.; and Robert M. Hutchins, president of the University of Chicago, are all men who should be able to exercise an important influence on the exchange's policy. As an actual working of the principal of public representation on stock exchange governing boards, these men should be able to act as a critical group, looking for constructive changes in the operations of both the New York Stock Exchange and the S.E.C.

It is an interesting experiment and a far step from the traditional method of running the exchange in New York as a semi-private club.

Investment Notes

Canadian Stocks—Indications of some attention toward this country by investors in Great Britain is occasionally seen. This week The Stock Exchange Gazette suggests that in brighter markets (written prior to Sept. 24) Canadian stocks would claim greater attention. Specifically mentioned were Canadian Car & Foundry, for its connection with the scheme for making bombing planes, and Massey-Harris preferred, for its improved prospects generally.

* * *

British American Oil—Has announced that the international courtesy cards, arranged on a reciprocal basis with Sinclair Refining Co., have been extended to include Sinclair's subsidiary and controlled companies operating in practically every state of the United States.

Work has started on B. A.'s new refinery in Calgary.

* * *

Hiram Walker-G. & W.—A reasonable estimate of probable per share earnings for the year which ended August 31 should be not far from $8 on the common. With $6.58 a share for nine months, it would only be necessary to duplicate third quarter net to reach the $8 a share level. Normally, however, the three months ended August 31 is a period of low sales volume for liquor concerns. Preliminary 12-months figures should be available in two weeks. Sales promotion efforts on the company's U. S. brands is understood to have been quite successful.

Page-Hersey Gets Process

New Pipe-making Method Means Building New Plant

Page-Hersey Tubes, Ltd., has announced the outright acquisition of all the letters patent for Canada covering the "Fretz-Moon Process" of manufacturing buttweld pipe. Advantages claimed for the new process should permit more efficient and economical operations.

Manufacture of pipe by the "Fretz-Moon Process" will require the construction of an entirely new plant by Page-Hersey, it is understood. The new plant will be built close to the existing properties, although plans are not quite complete.

The official announcement claims that yield of finished steel in relationship to gross charge of steel to the furnace is considerably higher, with a corresponding reduction in scrap losses. More flexible furnace operations are made possible and higher production gained. Pyrometric control of the furnace is used. Because the raw steel has no contact with the bottom of the furnace, no scale or slag is found on the inner surfaces. It is stated that welds made with the new process have the same strength as the parent metal.

Automatic manufacture of uniform lengths of pipe is the greatest advantage of the new process, according to the company. This makes possible the satisfying of a demand always existing for pipe in uniform lengths running up to 50 ft. Under former manufacturing methods it would be necessary to weld together perhaps two 25-foot lengths to make a continuous 50-foot pipe length.

Relief from the tension of the past month should be of considerable assistance to Page-Hersey. Plans for construction of any magnitude were deferred by Canadian companies when the threat of war appeared so serious. It is understood that the company is considerably more optimistic regarding the balance of the year. It is probable that third-quarter sales were somewhat lower as the period of war scares was entirely in this quarter, although no official statement is available.

Thrift Stores Loss Higher

Net Loss of $134,120 Compares With $93,613 in Previous Year

Operations of Thrift Stores Ltd. for the year ended Mar. 26, 1938, resulted in a net loss of $134,120, as compared with a net loss of $93,613 for the preceding fiscal year.

Loss incurred in the year under review increased the company's deficit from $11,300 to $145,420.

Total assets decreased to $891,119 at Mar. 26, 1938, from $1.1 million at Mar. 27, 1937; cash decreased to $51,174 from $161,019; inventories to $562,085 from $653,529; current liabilities to $475,942 from $658,547. Note payable to Stop and Shop was increased to $97,847 from $89,888.

During the year a total of $88,354 in taxes was paid, R. H. Hommel, president, reports, of which $19,837 was for special chain store tax in Montreal. This tax has since been increased to $1,000 a store, and the company is fighting the levy in court and asking repayment of $73,717 paid by Stop and Shop and Thrift Stores since the year 1933-34.

Mr. Hommel states that since the last fiscal year the Toronto warehouse has been closed and the accounting department consolidated with the Montreal branch. Ten stores have been closed in Toronto and improvements in operations are reported.

No dividends have been paid on the first preference stock since the payment of Jan. 1, 1935, and arrears at Mar. 26, 1938, amounted to $5.28⅛ a share. Second preference arrears accrue from the same date and amount to $2.27½ a share at Mar. 26, 1938.

Cons. Income and Deficit Account
Years Ended

	Mar. 26 1938 $	Mar. 27 1937 $
Net operating loss	52,038	31,094
Add: Dir. & exec. sals.	36,266	33,942
Legal fees	2,876	2,274
Directors' fees	1,625	1,074
Depreciation	18,289	16,945
Loss on fixed assets	4,566	......
Executive indemnity	13,500	......
Interest on note ...	4,960	......
Loss on closing warehouse	......	8,284
Net loss	134,120	93,613
Less: Previous surplus	*11,300	86,034
Add: Bad debt adjust.	......	3,500
Organ. exp. w/o ..	......	221
Deficit forward	145,420	11,300

*Loss or deficit.

Working Capital

Current assets	657,804	874,009
Current liabilities	475,942	658,547
Working capital	181,862	215,462

Hutson & Co. Formed

H. A. Hutson, former partner in the Toronto Stock Exchange firm of Stratton, Hopkins & Hutson, has formed a new firm to be known as Hutson & Co., with membership in the Toronto exchange. Mr. Hutson has associated with him as partner W. S. Dinnick.

Market Opinions

Optimism has replaced the threat of war in stock market comment this week, although not without certain reservations.

Brookmire Bulletins, New York—"The foreign situation is so greatly improved that immediate difficulties appear on their way to solution and the groundwork for better relations over an extended period has been laid. This should leave the stock market again free to appraise (1) the prospects of longer-term recovery, and (2) whether the over-running of business gains by stock prices has been corrected. This week's rise has been so abrupt that profit-taking would be a natural sequel. Moreover, important moves seldom stem directly from a jittery market. Thus a period of quieting down is likely before definite resumption of the main uptrend. Maintenance of present invested positions should continue, and if the next sizable recession occurs in declining activity, favorable opportunity for the use of any accumulated cash should be provided."

* * *

Fitch Market and Business Forecast, New York—"A metamorphosis can be seen to have occurred during the past week in a cycle of market strength evolving from the weakness with the passing of the European storm. The period of correction which has run from 30 to 60 days, according to the class of security, may be viewed as completed. A further increase in commitments to the extent of 10% of account totals is justified."

* * *

Barron's (The Dow Theorist) New York—"That is the position of the averages. They have made a minor movement which could be the first leg of a resumption of the uptrend. But we will not know what it means, if anything, until (1) the averages break through the September 25 lows, which would be merely continuation of the downtrend, or (2) the averages decline a little after reaching their highs on the present move and then turn up again to new highs which would signal reversal of the downtrend.

"If both averages should top their late July-early-August highs, that would reaffirm the bull market for those who are already convinced of its presence, and remove all doubts for those who have any.

"Volume indications for the week were bullish."

* * *

Commercial and Financial Chronicle, New York—"It was entirely a war crisis market throughout the week, for the rally after peace was assured merely served to offset the heaviness that war fears had occasioned for several weeks. Prices reacted instantly and sharply to all incidents. In this connection it is especially noteworthy that the change at 10.28 on Wednesday morning extended to all issues and marked a turning that pointed the way to resumption of ordinary calculations and influences, after the rally has run its course. It is, of course, high time for such a return to what may be considered usual, if not normal, in these times. There are many and important domestic problems to be faced, most of which simply have been held in abeyance while the European crisis worked itself out. The business experience of recent weeks shows that autumn gains are slow and rather disappointing to the more optimistically inclined. The spending-lending programme of the Administration is proceeding slowly, at best, and the election campaign now has started in earnest. Another factor that apparently has not yet been fully appreciated is the heavy loss occasioned in the northeastern states by the hurricane of last week. On the other hand, ordinary business calculations now can proceed more freely in the light of a fair assurance of peace in Europe, and even more might be gained if the Administration in Washington restrained its tendency toward meddling and interfering with business."

* * *

Journal of Commerce, New York (Jules I. Brogen)—"The sudden end of the imminent threat of war in Europe brought a very sharp recovery to the financial markets of the world, in which the American security markets have participated fully. The persistent gains a number of leading business indices show bear out the view that war scares of September did not inflict any lasting injury upon the business recovery which began last June. The passing of the international political crisis, particularly since it has been accompanied by the inauguration of an era of good feeling among the leading powers of Europe, leaves the markets free to discount the favorable business prospect."

* * *

The Annalist, New York — "The tendency for periods of liquidation to be relatively short and the ability of the market to rally when selling pressure is decreased suggest, however, that in other respects the position of the stock market is a strong one and that a peaceful settlement abroad could produce a sharp recovery in prices. The thinness of the market for most types of stocks, a factor which on several occasions during the past year has played an important part in stock price movements, is, of course, a factor which strengthens this tendency to a considerable degree.

"It is worth noting also that the ability of stocks to rally after breaking through their previous support was, in the opinion of some traders, a significant development."

St. Lawrence Flour Earnings Decline

Has Net Loss of $17,972 in 1937-38 Fiscal Year

From Our Own Correspondent

MONTREAL. — Adverse conditions affecting the flour milling industry find reflection in the report of St. Lawrence Flour Mills Co. for the year ended Aug. 31 last.

Net earnings for the year at $53,278 were equal to only one quarter the amount earned in the 12 months ended Aug. 31, 1937. After all charges including depreciation there was a net loss of $17,972 as against a net profit of $112,301 in the previous year.

As the company continued to pay dividends on its 5,750 shares of 7% preferred and 36,000 common shares despite the low level of earnings, surplus and working capital have both been reduced. Accumulated surplus now stands at $411,333, compared with $505,555 a year ago.

Working Capital Down

Working capital shows a reduction of $62,000 to $456,092. Current assets are $449,000 lower at $645,614 as a result of a sharp drop in inventories. The balance sheet at Aug. 31 last shows inventories of $375.147, compared with $834,666 in the previous year. A bank loan of $470,000 has been liquidated.

The balance sheet reflects reduction in the value of goodwill approved at the last annual meeting. Book value of this item was reduced from $930.223 to $1. At the same time the book value of the common stock was reduced from $1.2 million to $269,776.

Income and Surplus Account
Years Ended Aug. 31

	1938 $	1937 $
Net earnings	53,278	211,711
Less: Legal fees	1,502	821
Directors' fees	5,000	5,000
Exec. salaries	34,100	38,000
Depreciation	30,000	28,807
Taxes	648	26,782
Net profit	*17,972	112,301
Less: Pref. divids.	40,250	40,250
Common divids. ...	36,000	33,000
Surplus for year	*94,222	39,051
Add: Prev. surplus ..	505,555	466,504
Balance forward	411,333	505,555

*Loss or deficit.

Working Capital

Current assets	645,614	1,194,635
Current liabilities ...	189,522	577,314
Working capital	456,092	518,321

Kelvinator Had Successful Year

Profits More Than Cover 75c Dividend

Shareholders of Kelvinator of Canada have been officially informed that the company has enjoyed a fairly successful year in the 12 months ended Sept. 30, 1938. Although final figures have not yet been completed, it is anticipated that profits, after all charges, will be more than sufficient to cover the current dividend of 75 cents a share on the common.

In the year ended Sept. 30, 1937, the company earned $1.56 on its common stock and paid a dividend of $1 a share. As previously reported in The Financial Post, conditions in some divisions of the company's business have not been as favorable this year. As the old 7% preferred was redeemed on Feb. 15, 1938, the company had the benefit of some savings in current expenses for a portion of the past year.

As considerable progress has been made in the past year, the company regards the outlook for the coming period as reasonably good.

J. R. Stratton & Co. Formed

Announcement has been made of the formation of J. R. Stratton & Co. as a new Toronto Stock Exchange firm. This announcement is made at the same time as that of the dissolution of the former firm of Stratton, Hopkins & Hutson. Partners of J. R. Stratton in the new firm are W. W. Stratton, G. A. Somerville, C. T. Ross and William Edwards.

Gypsum, Lime Sales Turn Up

Company Hopeful That Earlier Declines Will be Wiped Out

The last month or two has seen some improvement in sales of the lime division of Gypsum, Lime & Alabastine, Canada, George A. Dobbie, president, informs The Financial Post. It is hoped this rise in sales can make up any loss that existed in this division to the end of August before Nov. 30, the end of the company's year.

This division had shown some curtailment in sales for the first half of the year, principally owing to curtailment of production in the pulp and paper industry, which takes considerable of the company's output.

Sales of the gypsum division have been ahead of last year. This division of the business makes gypsum plasters of various kinds, fireproof lath and wallboard, gypsum tile and blocks, as well as a number of specialty products, including insulating material. Chief market is in the building industry.

Manufacturing costs have been somewhat higher this year owing to wage increases and shorter hours. Then again the company has experienced higher costs for materials, such as coal.

Although expenses both for manufacturing and administration will be higher this year than last, it is still impossible to foretell accurately what results for the year ending Nov. 30 will be. The company is hopeful of volume of sales keeping up and that year-end figures will be satisfactory.

Mr. Dobbie states that the company's organization has been improved during the year. Progress is being made in both the manufacturing and selling divisions. Real prosperity for Gypsum, Lime & Alabastine, however, will still depend on further uptake in the Canadian building and construction industries.

Last year the company reported a good increase in profits and net was equivalent to 14 cents a share on the common against 9 cents in the year ended Nov. 30, 1936. Sinking fund on the 5½% bond issue has been in arrears since 1933 but progress was made last year in cutting down on the amount of sinking fund payments due. With the purchase of $287,000 of bonds last year, the remaining balance of arrears had been reduced to $121,093.

Opposes Plan For Delisting

Asserts Dominion Stores Plan Would Inconvenience Shareholders

The argument of the New York Stock Exchange in opposing delisting of the shares of Dominion Stores, according to Business Week, is that removal would force United States stockholders to sell or buy their stocks on Canadian exchanges.

The company claimed that having a listing on the New York market hurts its business, entails expenses of filing reports with the S.E.C. and maintaining a transfer and registry office in New York. Also generally credited, is the fact that listing on the New York Board gives the company a reputation of being, "American-owned," which the company has found to be detrimental to its business. In reality about 40% of the stock is held in the United States.

If the S.E.C. rules that the stock cannot be delisted it will serve notice to other companies that shares once listed will be difficult to remove; thus the action is regarded with some interest, as establishing a precedent for similar cases in the future, according to Business Week.

Actually the company need not have applied to the S.E.C. for delisting, as the S.E.C. has no method of forcing its rulings upon a foreign company, but the company went through the formality, anxious to retain good relations with the American organizations. Furthermore, if the company wished to finance in United States at some future date, S.E.C. permission would probably be withheld.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's 95
1929-37:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	204.6	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1938:												
Jan.	109.6	18.9	87.2	194.9	64.3	158.7	116.1	138.4	64.4	84.3	48.7	107.7
Feb.	109.3	17.5	88.9	195.2	64.8	159.9	115.0	131.4	63.1	81.8	46.8	107.1
Mar.	100.7	14.6	76.5	181.2	60.3	152.0	101.3	116.0	58.2	80.5	43.1	99.2
Apr.	103.2	15.4	75.6	172.0	55.0	151.5	106.0	119.4	59.7	80.4	43.7	97.9
May	107.2	15.7	85.8	177.2	54.5	153.6	107.5	122.5	61.0	80.9	44.5	99.7
June	111.8	18.6	84.8	170.0	54.1	156.2	109.2	129.8	61.2	81.0	45.1	100.0
July	129.2	23.1	88.6	177.6	59.4	167.9	120.5	142.6	66.4	84.9	48.6	106.9
Aug.	130.1	21.0	88.3	176.7	59.0	168.5	122.1	139.3	64.3	85.0	47.1	105.2
Weekly Figures, 1938:												
Sept. 1	128.5	19.5	86.3	175.0	58.3	167.8	120.2	132.9	62.4	85.1	45.8	103.1
Sept. 8	132.2	20.0	83.6	175.6	58.5	166.9	120.5	133.0	62.0	85.7	45.7	104.2
Sept. 15	119.2	16.7	78.6	165.3	55.4	164.0	109.8	119.5	57.7	84.8	42.7	98.0
Sept. 22	119.4	16.6	78.1	165.3	53.3	162.0	109.3	119.1	58.2	83.4	42.9	98.6
Sept. 29	115.8	17.1	76.7	160.7	50.2	158.3	103.2	117.0	55.8	80.7	41.2	96.0

Toronto Stock Exchange Index

	20 Indus.	20 Golds	10 B.M.	15 W.O.
Oct. 4	119.87	122.26	93.03	31.73
Oct. 3	119.74	121.51	93.23	31.59
Oct. 1	119.87	121.43	92.37	31.21
Sept. 30	118.46	120.47	91.17	30.51
Sept. 29	111.83	116.51	86.98	29.54
Sept. 28	107.81	110.17	81.71	26.52
Month ago	124.47	126.62	95.53	35.26
Year ago	139.66	116.55	82.41	34.33
High, 1938	126.85	127.19	97.95	50.85
Low, 1938	[illegible]	[illegible]	[illegible]	[illegible]

Montreal Stock Exchange Averages

	10 Util.	20 Indus.	30 Comb'd	15 Golds
Oct. 4	65.5	80.3	75.4	124.93
Oct. 3	65.6	80.9	75.8	125.52
Oct. 1	64.6	79.9	74.8	125.85
Sept. 30	64.1	78.5	74.4	124.26
Sept. 29	60.6	75.8	70.7	119.18
Sept. 28	58.4	70.0	66.1	112.44
Month ago	65.6	80.7	75.7	126.80
Year ago	72.8	81.0	78.3	109.47
High, 1938	69.3	88.2	81.4	130.77
Low, 1938	[illegible]	[illegible]	[illegible]	[illegible]

October Bond Investments

October Bond List forwarded upon request.

Investors who have withheld their funds during recent weeks will find our October Bond List of assistance in selecting suitable investments for the employment of this money.

Industrial, trade and employment indices reflect improvement in business conditions and the benefits from the abundant Prairie crop will be felt through the Dominion.

Our October Bond List includes Provincial Government Bonds yielding as high as 3.61% and Public Utility and Industrial Bonds yielding as high as 5.75% and 6%.

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Bond Markets

Canadian Bond Prices Move to Higher Ground

All Classes Rally in Spectacular Fashion as International Picture Clears—Out of Line With London Market

Something near jubilation was expressed by world markets during the past week, following release from the threat of war which had driven prices steadily downward and dried up buying for several weeks prior to the Munich accord.

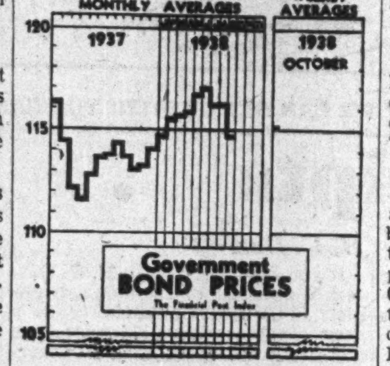
Canadian markets shared fully in the optimistic spirit, and prices rose rapidly, with some industrial issues exhibiting spectacular gains. In a market where even high-grade issues rose in almost unprecedented fashion, all classes recovered to pre-crisis levels.

Buying was fairly active, but it appeared that institutional buyers were still disinclined to jump in and the bulk of the trading was that of private investors.

With prices of issues on the London market running below Canadian price levels, and sterling at a substantial discount, institutional buyers were more interested in the spread between prices here and overseas.

Despite the better volume of sales, it was apparent that the rise was due to the volatile spirits of the moment rather than any brisk demand for securities.

Municipal financing received an impetus from issues sold by St. Hyacinthe, St. Thomas, and La Tuque. Bidding was fairly keen on these debentures.



Favorable Factors

With removal of war clouds that have obscured the horizon, business may return to serious contemplation of the normal factors that determine its future prosperity.

A number of favorable factors are seen by observers. Business is approaching one of the most active seasons of the year and the benefit of a larger wheat crop should be reflected in better conditions in the Dominion, as well as in the Prairie Provinces.

It is also true that business was on the way to recovery when suppressed by international strife. Can it continue uninterrupted from the point at which it left off? The demand for goods remains and probably the purchasing power exists to as great an extent as several months ago.

• • •

Money Rates

What of money rates? Will 4½% and 5% government securities ever return? A large number of observers feel that while the process will be very gradual, a return will be made to more liberal interest rates.

The pace of Britain's colossal rearmament is apparently not to be slackened and the U.S. evidently intends to continue its plans to stimulate industry.

• • •

Financing Down

A substantial reduction in public bond financing of the Dominion, provinces and municipalities and in corporation financing during the first three quarters of the current year, from a similar period in 1937, is shown by a compilation of Wood, Gundy & Co.

The total government financing to September 30, excluding Dominion treasury bills, amounted to $311,2 millions, as against $374.2 in the corresponding period of 1937.

In September there were no federal or provincial bond issues sold, but a number of small municipal issues were sold. Total for the month was $784,747, as compared with $3.7 millions in the same month last year.

Corporation financing declined in the first three quarters of 1938 to $54.6 millions from $124.9 millions in the same period in 1937.

A comparative table of new bond financing is shown below:

New Canadian Bond Financing

Govt. & Munic. To Sept. 30:	1938 $	1937 $
Dom. govt.	238,491,666	234,000,000
Dom. treas.	465,000,000	435,000,000
Provincial	52,565,000	95,946,000
Ont. munic.	4,195,622	25,781,742
Que. & Mar. mun.	14,360,550	17,146,845
West. munic.	1,631,991	1,307,000
	776,244,829	809,181,587
For Sept.:		
Treas. bills	50,000,000	50,000,000
Provincial	....	3,250,000
Ont. munic.	269,747	280,077
Que. & Mar. mun.	295,000	183,000
West. munic.	220,000	....
	50,784,747	53,713,077
Corporation To Sept. 30:		
Public utility	21,450,000	30,918,500
Railway	11,880,000	30,380,000
Ind. & misc.	21,315,500	63,595,300
	54,645,500	124,893,800

• • •

Study Bond Ratings

In the U.S. it is planned to investigate bond market performance. The scheme will be a WPA project and will be co-ordinated in detail by the National Bureau of Economic Research.

A number of governmental agencies will participate in the survey, including the Federal Reserve Board, Comptroller of the Currency, the SEC, and Central Statistical Board.

A number of prominent private rating services will come within the scope of the survey. Detailed figures on yields, new issues and loss experience will be carried back for some decades, perhaps as far as 1900, provided funds are granted for the research and machine tabulation.

One of the objects of the examination will be to determine the effectiveness of bond ratings. In the absence of any federal index, the list of securities eligible for banks is determined by the standard ratings of private agencies.

• • •

Bond Index

Bond prices moved up sharply Thursday of last week and continued upward. The Financial Post Index of government bond prices is now back to pre-crisis levels and moving steadily away from the low of the year, reached on September 27.

Average Price and Yield for Seven High-Grade Government Bonds

1938	Price $	Yield %	1938	Price $	Yield %
Oct. 4	115.11	2.981	Oct. 4	113.51	3.286
Oct. 3	115.18	2.981	Oct. 3	113.52	3.289
Oct. 1	114.93	2.989	Oct. 1	113.52	3.289
Sept. 30	115.07	2.971	Sept. 30	113.52	3.289
Sept. 29	113.39	3.056	Sept. 29	113.52	3.289
Sept. 28	112.07	3.353	Sept. 28	113.48	3.300
Year's Range	117.21 111.66	2.783 3.389	Year's Range	116.81 111.60	3.026 3.505

Bren Contract Effect Revised

(Continued from page 1)

us to do but to acquiesce.' How is cabinet council, that set about protection of the public through the creation of a committee, ever to know these things unless the committee reports back to it?"

Said His Lordship: "What I want to know is 'Did the Inglis Company have the inside track in Great Britain?' There is not a bit of evidence to support that."

Statements to this effect, however, had been repeated several times during the enquiry, both by Mr. Elliott and by Col. Daniel E. Dewar, director of clothing, equipment and manufacturing establishments.

Supplementary Agreement

Col. Dewar told of a conference in the Deputy Minister's office in the last week of August, 1938 (five months after the signing of the Bren contract) attended by himself, the Deputy Minister (Gen. Lafleche), and Major Hahn. All three had read an advance copy of Col. Drew's article, in which it was pointed out that Clause 6A of the contract in effect permitted a larger overriding profit than the $267,000 which was stated to be maximum on the cost-plus-10% basis.

The clause provided that on top of profit of 10% on the actual manufacturing costs, the company could earn 25% of the difference between actual manufacturing costs and an agreed standard cost, if the former were cut below the latter. The result of the conference had been the signing of a statement by Major Hahn agreeing to a maximum gross profit of $267,000 from the Canadian contract.

Mr. Elliott in later examination by L. A. Forsyth, associate commission counsel, said that the interdepartmental committee had also recognized this loophole but had passed it on the grounds that it also left the way open to a smaller profit to the company on the cost-plus basis.

Set-up of Company

The financial set-up of the Inglis Co. had been studied first, Mr. Elliott told the enquiry, from the Dun & Bradstreet report on the company. Among items shown in this report were:

Cash on hand	$ 99,970
Accounts receivable	20,000
Value of land, buildings, machinery, etc.	1,280,530

Col. Drew, in cross-examination, pointed out that, in what purported to be "quite a substantial enterprise," the value of inventories as shown in the same report had been only $9,500. Mr. Elliott admitted that this point had not been raised by the committee, but that the committee had questioned the Dun & Bradstreet report. For that reason it had called Major Hahn in to test its accuracy.

Col. Drew: "And when you had Major Hahn's statement you discarded Dun & Bradstreet and relied on the statement of Major Hahn?" "Yes."

Sale of Stock

Commissioner Davis appeared anxious to know what steps had been taken by the committee to protect the public against possible profit-taking by holders of the 220,000 shares in the John Inglis Co. through sale of these shares. It was obvious to any businessman, he believed, that there was this possibility in view of the Bren contract background.

Mr. Elliott referred him to what was known as the "stopper clause" in the contract which provided for cancellation of the license if the company directly or indirectly issued or sold shares, without government approval, and failed to apply proceeds to company operations.

Commissioner Davis thought it was perfectly plain that this clause covered only future issue or sale by the company and did not cover the original 220,000 shares. Mr. Elliott admitted that the clause did not represent the complete idea of the committee. It had been drafted by himself at the final meeting in the early hours of the day on which the contract had to be ready for cabinet council (March 18, 1938).

Discussion With Plaxton

Toward the close of his examination, Mr. Forsyth asked Mr. Elliott whether he had discussed the contract with anyone other than his colleagues on the interdepartmental committee. Mr. Elliott hesitated. Mr. Forsyth repeated his question and the witness replied: "I discussed the matter with Mr. Hugh Plaxton. He discussed it with me in my office with regard to the advantages of such a contract to his constituency."

Later cross-examination by Col. Drew brought evidence from Mr. Elliott that the meeting with Mr. Plaxton had taken place in January. The Toronto member had had not only a fairly complete knowledge of the proposed contract, but at least an intimation that the interdepartmental committee would be expected to deal only with the financial set-up. Mr. Plaxton said that if the contract were concluded it would mean an increase of employment in his constituency. He spoke favorably of both the Inglis Co. and Major Hahn.

Col. Drew pointed out that it had been some time after this interview that the committee, acquiescing to Gen. Lafleche's acceptance of responsibility, had discarded the possibility of competitive tenders for the contract. Mr. Elliott saw nothing surprising in this. He believed that anyone reading the order-in-council appointing the interdepartmental committee would assume that it would study only the financial set-up.

British Pressure

Mr. Elliott placed Feb. 26, 1938, as the date when Canada had its first intimation (a telephone conversation between Deputy Minister Lafleche and Col. Logie of Canada House) that the British treasury board had authorized the War Office to conclude a contract with the Inglis Co. The message, passed on to the committee, had added that "the next move was up to Canada." Regarding an earlier cablegram reporting the probability of such a contract, Mr. Elliott admitted that he knew of it only by hearsay from Gen. Dafleche.

In an effort to clear up the difficulties under which the probe has been working, in obtaining only such hearsay evidence on key points of its enquiry, the Commission sent a further cable to the British Government this week. It asked release of correspondence and all other documents in connection with the Bren contracts. Hitherto these have been kept out of evidence on London's representation that such disclosures would be "embarrassing" at this time.

"Who is Major Hahn?"

Another point which has been emphasized by the commissioner can be illustrated best by his own question early in the week: "Who is Major Hahn?"

Col. Dewar in his evidence admitted that he had taken statements of the president of the Inglis Co. as the basis for a memorandum to the Master General of Ordnance in December, 1937, suggesting that the contractor should be compensated for the fact holding out his plant and machinery from commercial use for nearly a year.

Col. Drew: "On what do you base that statement?"

Col. Dewar: "The only information I got was from Major Hahn."

Col. Drew: "Did you know whether he had a plant or not?"

Col. Dewar: "Oh, yes, I knew that; how, I cannot say, but I knew he had."

Col. Drew: "You relied upon information from him?" "Yes."

Income Tax Contact

Mr. Elliott said his acquaintance with Major Hahn went back to 1933, when "he came into my office regarding certain income tax matters pertaining to a corporation with which he was connected." He had no further personal contact with him until the Bren contract discussions, but had formed a high estimate of his abilities as a businessman. He had heard of his taking over the John Inglis Co., but had not known what office he held.

The matter he had discussed with Major Hahn, he later admitted to Col. Drew, had been connected with financial difficulties of the DeForest Crosley Radio Co., which had been followed by amalgamation with Rogers Majestic Corp.

Bond Markets

St. Hyacinthe, Que.

The City of St. Hyacinthe has sold $248,000 of 30-year 3½% serial bonds to Banque Canadienne Nationale, Savard, Hodgson & Co., and Mills, Spence Co. at 97.28, on an average cost basis to the city of 3.71%. $148,000 of the bonds are dated Nov. 1, 1937, maturing to Nov. 1, 1967, and $100,000 are dated Feb. 1, 1938, maturing to Feb. 1, 1968.

Other bids were:

Bank of Montreal	95.31
L. G. Beaubien & Co.	
A. E. Ames & Co.	
Dominion Securities Corp.	95.08
Credit Anglo-Francais	

Hamilton Harbor

Offering is being made of $385,000 of 4% first mortgage bonds of the Hamilton Harbor Commissioners by A. E. Ames & Co. Dated June 30, 1938, the issues mature in installments over 10 years, Dec. 31, 1941 to 1950, inclusive.

Syndics de Notre-Dame

An offering of $315,000 of 3½-4% bonds of Syndics de La Paroisse de Notre-Dame de Lourdes de Verdun is being made by Societe Generale de Finance, Inc. The issue is dated Oct. 1, 1938, and matures serially Oct. 1, 1939 to Oct. 1, 1953.

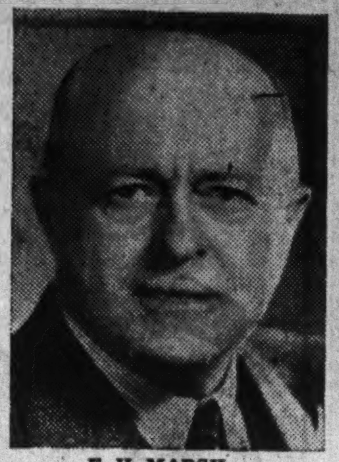
Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Ford Hotel	6%	1947	Nov. 1	101
Prov. Paper, A	†5½%	1952	Nov. 1	100½
P. L. Robertson Mfg.	7%	1942	Oct. 15	105
Wood, A. & J.	*6%	1944	Oct. 11	103

For sinking fund purposes: †$449,300. *$24,000.

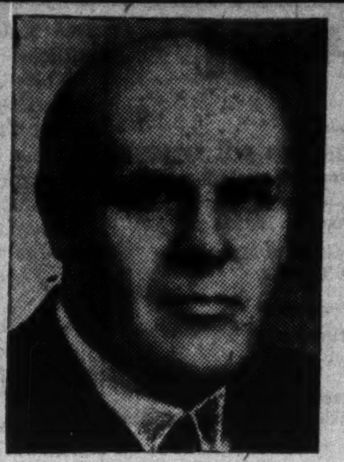
Bond Tenders

11 a.m., Oct. 16, Sch. Comm of Drummondville, P.Q.—$50,000, dated July 1, 1938, redeemable annually from July 1, 1939 to July 1, 1963, alternative bids asked for 4% and 3½%. Gaston Ringuet, sec.-treas.



F. H. MARSH

JAMES L. CARSON



B. S. VANSTONE

BANK OF TORONTO APPOINTMENTS

Appointment of F. H. Marsh as general manager of the Bank of Toronto, filling the vacancy created by the death of the late H. B. Henwood, is announced. Mr. Marsh has been assistant general manager of the bank since 1928. Previous to that he occupied the position of western superintendent with headquarters at Winnipeg. He was born at Clarksburg, Ont.

James L. Carson and B. S. Vanstone have been appointed assistant general managers.

Mr. Carson entered the service of the bank in 1905 on his arrival from Scotland. He has been manager of the Montreal branch of the bank since 1922.

Mr. Vanstone was born at Bowmanville, Ont., where he began his banking career. He has for a number of years occupied important positions in the head office of the bank.

City of Kingston

Applications are hereby invited for the combined position of Collector of Taxes and Assistant Clerk-Treasurer for the Corporation of the City of Kingston at an initial salary of $1800.00 per annum with a maximum of $2800.00. Applicants must be chartered accountants or have an equivalent training and experience in accountancy; in addition applicants must have ability and experience in office management. Some knowledge or experience in municipal accounting is desirable but not essential. Applicants must state age, education and training, experience, etc., which factors shall be important in making a selection, and shall have at least two letters of reference, marked as such, sent directly to the Clerk-Treasurer. Applicants are advised to communicate with the Clerk-Treasurer and obtain further details of the position. Applications should be marked as such on the outside and should be in the hands of the Clerk-Treasurer by 5 p.m., October 31, 1938.

Prospectus of Canadian Investment Fund, Ltd., obtainable from your own investment dealer.

CALVIN BULLOCK, LTD.

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To know that your beneficiaries will be in sympathetic hands is as important as to know that your estate will be competently handled. ¶ With each estate the first step taken by this Trust Company is to place it under the personal care of an estates officer. It is his constant endeavour to see not only that the terms of your Will are scrupulously carried out, but that your beneficiaries receive the explanations and counsel they require. ¶ When you appoint the Toronto General Trusts your executor and trustee you leave your estate in the hands of a widely experienced Corporation; but its services are not impersonal. Your family will deal with individual trust officers who are concerned first and last to serve them in the spirit as well as the letter of the Will you have set up for their comfort and protection.

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The West Marches on...

Canada's Biggest Business— the production and marketing of the Western Grain Crop— has recovered its stride.

IN the national economy of Canada, progress and purchasing power in the West are essential to prosperity in the East.

Today the West is on the march with flying colors. Through seven years of physical handicap and economic difficulty her great agricultural industry, which contributes so much to the national well-being, has been kept intact, is functioning and is making progress.

And today, the West does not live by agriculture alone. Mining, forestry, fishing, fur production and manufacturing, have strengthened the economic position of the Prairie Provinces and are contributing their share to the new era of orderly progress into which the West has now emerged.

With the farm value of 1938 grain crops placed at $270,000,000 and with other industries increasingly active, the total income of the Prairie Provinces for 1938 will be the highest in seven years.

Here is a truly profitable market for the enterprise of Eastern manufacturers! Home needs, farm needs, industrial needs—long unfilled or but partially filled—can now be provided for in the larger part of this land of two and a half million people.

In this market, Manitoba and its capital city, Winnipeg, hold a favored place. Endowed with a bounteous crop and renewed business activity in Manitoba in 1937, the way has been paved for freer spending of income in 1938. This is the market served by The Winnipeg Tribune, through the advertising columns of which the door can be opened to the homes of over 35,000 of its most prosperous citizens.

Western Factors In The National Economy

The Wheat Industry

The wheat industry of Western Canada is one of the basic factors in the Canadian economy. Canada, a debtor country, must have exports to meet her obligations abroad and to bring a flow of new capital into a country which is still in the developmental stage. By producing a large surplus of the world's finest wheat, Western Canada has been, and is a primary factor in protecting Canada's external position, as vast quantities of wheat move into international trade, establishing credits abroad for the Canadian nation, and bringing new capital to support the development of our national economy. In exports of grain and grain products alone, in the past twenty years, Western Canada has brought nearly seven billion dollars of new wealth to Canada, an amount equal to more than twice the national debt of this country. What the West has done for Canada in the past, she will continue to do in the future.

This year's wheat crop is estimated at 334,000,000 bushels, with a value at the farm of nearly $200,000,000 — a wheat crop which, when sold abroad, will create over $140,000,000 of foreign exchange for the Canadian nation as a whole.

The Tribune invites enquiry concerning the Greater Winnipeg and Urban Manitoba market. Full information of its own position and capacity to serve advertisers in that field may be obtained from any recognized Advertising Agency.

The Winnipeg Tribune
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A. W. MOSCARELLA—*Advertising Director*
Toronto Office—Atlas Bldg. Montreal Office—Southam Bldg.

The Financial Post

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A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.
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Editor—Floyd S. Chalmers
Business Manager—D. M. Gowdy

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The Financial Post Survey of Corporate Securities, Yearly, $2.
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Directory of Canadian Directors and Officials, $10.
The Financial Post Survey of Canadian Oils, Yearly, $1.
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GREAT BRITAIN, London—Sun of Canada Bldg., 2, 3 and 4 Cockspur St., London, S.W.1. Telegraphic Address, Atabek, Lesquare, London,

TORONTO, OCTOBER 8, 1938

The Financial Post's Platform for Canada

Balanced budgets.
A modernized constitution.
Extension of Empire trade.
Integrity in meeting public organizations.

Let's Get Back to Work

WHILE statesmen and leader writers argue the pros and cons of the Munich Conference—whether it does really mean peace "for our time" or not—the "spot" news for businessmen on this continent is that for three, six, twelve—maybe a lot more months—they can get back to work.

Whatever happens eventually in Germany, this much is certain, that war clouds have been replaced with the warm sunshine of peace for at least sufficient time to let fall and winter business get under way.

Plans and programmes which have been held in abeyance now for as much as six months can be undertaken with reasonable assurance and safety; money and merchandise can come out of hiding.

For Canada, this means literally scores of millions in business turnover.

With a bumper wheat crop pouring out of prairie farms; with hundreds of millions of dollars of new money from tourist trade, from mines, from forests and other primary products, a busy and profitable fourth quarter seems assured.

Now that this year's war clouds have cleared away—let's get back to work.

Germany's Future Aims

SPECIAL dispatches to this paper by Floyd S. Chalmers, editor of The Financial Post, place great emphasis on the unlikelihood of a further threat of arms by Germany now that the Czechoslovakian crisis has been averted.

Germans of all classes, says Mr. Chalmers, reiterate over and over again that Hitler has not the slightest intention of seeking to reunite with Germany any country that is not traditionally German. "It is contrary to all Hitler's race philosophy" they say, "to introduce into the Reich any serious minority problem. Germany for the Germans, means a Germany comprised only of Germans."

What is most likely to happen is that Germany will achieve her aims in other ways than conquest:

"There is no likelihood in the near future that Germany will pursue a policy of conquest in South-eastern Europe. Germany has other ways of making the Balkan countries, Hungary and Poland contribute to German might. Here the weapons are clearing agreements, tariffs, exchange control, etc.

"The weapons are economic, but by effective use of them Germany is achieving a position of such economic dominance that these countries are becoming almost vassal states. Germany has all the advantages of tapping their resources without having their peoples within her Empire as discontented minorities."

Such statements support the belief that Prime Minister Chamberlain gave voice to more than a pious hope when he stated that the Munich pact would achieve "peace for our time."

Visit Canada

VIGOROUS support for the campaign being carried on by The Financial Post to develop in Canada a national plan for encouragement of tourist trade, was given last week by the Canadian Chamber of Commerce.

Meeting in annual convention at the Seigniory Club, the chamber heard a strong appeal for a "co-ordinated tourist effort" from D. H. Gibson, vice-president of the Toronto Board of Trade. Subsequently it embodied a recommendation along this line in its 16-point statement of policy.

Describing the tourist trade as Canada's fourth largest industry, Mr. Gibson urged Canadians to think of it in terms of a "National Business." "All our provinces," he said, "should have a progressive programme of such vigor as will make this country foremost among the nations of the world for travel."

The appeal which Canada should propagate is not a provincial or community appeal. The emphasis, said Mr. Gibson, should be on the national programme and appeal.

"There is in my view a large place for important and valuable leadership in coordinating all the fine efforts of our provinces by a federal administration setting forth effectively the worthy claim of all parts of Canada. This would convey far greater influence than a variety of local agencies."

Mr. Gibson quoted a letter received from Senator W. H. Dennis of Halifax in which he urged that Canada "should have a separate department at Ottawa, presided over by a full-time minister charged with the duty of promoting the tourist trade."

Canada should long ago have taken more positive steps to conserve and encourage her valuable tourist trade. Appointment of a Canadian Travel Bureau a few years ago was important but was only one step in this direction.

The present need is for a simple, effective "Visit Canada" plan which would co-ordinate not only the various departments at Ottawa but also the provinces, hotels, railways and other agencies interested in this fourth largest national business.

What Taxes Mean

EVERY company in Canada should take a leaf from the Dominion Engineering Co. book. Month after month in its house organ "Dominion Engineer" it has been carrying on an aggressive, well-planned campaign against increasing public expenditure and taxation.

In its current issue it shows in detail the amounts paid by the company for various tax items. In total these amount to $575,000. This is just 37% of its total payments for salaries and wages. It is four times the net earnings of the company for 1937. Sales tax alone was 2.32 times earnings and 21.3% of wage and salary payments.

Actual figures are as follows:

Sales Taxes paid on materials consumed by the company and on equipment for its own use	$ 36,983
Sales Taxes paid on company's products	282,020
Sales Taxes paid on products purchased and resold	12,875
Total Sales Taxes	$ 331,878
Customs Duties paid on materials and equipment imported	117,045
Excise Taxes paid on imports	18,206
Income Taxes paid Dominion Government	31,471
Total Taxes paid Dominion Government	$ 498,600
Taxes paid to provinces	9,517
Taxes paid to municipalities	67,606
Total taxes derived from operations of the company	$ 575,723
The company paid in wages and and salaries during 1937	$1,564,716
Earnings of the company from manufacturing operations but before providing for depreciation of plant or equipment, were	340,912
Net earnings of the company after setting aside a reasonable reserve for depreciation, and including revenue from investment of reserves, were	143,377

The company emphasizes the detrimental effect on industrial development of high taxes—especially a high sales tax which weighs unduly heavily on the price of manufactured goods, and, in the case of machinery and equipment for productive industries upon the investment of money for the expansion and improvement of these industries.

The result is to "discourage industrial development and with it the expansion of employment opportunities for our people."

In the case of Dominion Engineering, sales taxes levied last year on the company's operations were equivalent to an increase in its wage costs of more than 21.3%, and, including all taxation of more than 37%.

"These figures also suggest the extent to which high taxation exerts a downward pressure upon wages and at the same time increases the cost of everything the wage-earner buys.

"They suggest the urgent need for a more balanced distribution of taxation over a broader base, and the necessity for economy in government spending and the avoidance of further obligations which will result in further increases in taxation."

Canada's public finance and taxation problems would tend to disappear quickly if every Canadian wage-earner were kept informed of the personal weight of taxation as are the employees and customers of Dominion Engineering Co.

Aid For Newfoundland

THE LONDON TIMES recently made a plea that the unfortunate illness of Lord Stanley be not permitted to deprive Newfoundland of the benefits and advantages which his proposed visit was expected to bring to the people of the Colony.

Reviewing the unfortunate circumstances which have faced the island and those in charge since the formation of a Commission Government some four years ago it suggests that one reason for current discontent is that "criticism which can find no effective expression in the absence of representative institutions is apt to go sour and breed discontent."

"If Lord Stanley had been able to visit the island as he intended he would have had an opportunity of seeing conditions with his own eyes, and the discontented critics would have had the satisfaction of putting their case directly to a member of the British Government.

"It would be an excellent thing if arrangements could be made for a visit by someone else of sufficient authority to give the Government here the benefits of an independent impression, and to remove the grievance of those who complain that they are cut off by a bureaucratic wall from direct access to the Government now responsible for their welfare."

When the present war crisis is resolved, the British Government should lose no time in implementing this commendable and constructive suggestion.

Cutting the Fire Loss

SOME years ago Canada's annual fire loss was so heavy as to be described as a national disgrace. In 1922, property destroyed had a value of $54.3 millions.

Since then there has been a substantial improvement. In 1937 the fire loss was reduced to $22.7 millions.

In his annual report for 1937, J. Grove Smith, Dominion Fire Commissioner, states that on the basis of inherent fire hazard, Canada has now one of the lowest fire losses in the world.

What this has meant to industry can easily be imagined. Mr. Smith estimates that the savings in property value have amounted to $265 millions; in insurance cost to $376 millions.

When the Dominion Fire Prevention Association began its campaign to cut the fire loss it had the support of various business and financial organizations. The Canadian Manufacturers' Association and the fire insurance companies took a leading part.

Organized industry entered wholeheartedly into the adoption of fire prevention methods in the conduct of its business and the installation of protective equipment. Accordingly the number of fires in manufacturing establishments in 1937 was the second lowest in the list of group classifications.

Other groups have also done their share in removing causes of fire and conditions which might help a fire to spread.

Drawing attention to the need of steadily reducing the annual fire loss, Fire Prevention week (which this year falls October 9 to 15) deserves the support of Canadian citizens and especially Canadian businessmen.

Fish Week

OTTAWA has issued a clarion call to all Canadians to observe Fish Week. By so doing, the Canadian people, in the view of Hon. Joseph Michaud, Minister of Fisheries, can "help the fishermen and further the development of the fishing industry."

The publicity campaign carried on by the Department of Fisheries in recent years has done an important and effective job to increase the consumpton of fish in Canada.

But governments can only go so far.

As Mr. Michaud points out, the people at large, by using Canadian fish more frequently, can do much more than governments.

One thing which should be checked closely is the retail price at which certain kinds of fish are offered at large urban centres. Often the price of fish per pound at these points is so high as to discourage its use.

It becomes a luxury, competing often unsuccessfully with meat and other foods for the housewives' dollars.

Editorials in Brief

Germany is a place where everything which is not forbidden is compulsory.

• • •

Advance publicity from New York announces that Canada's pavilion at the New York World's Fair next year will be of "simple, modern design and constructed of Canadian materials to the fullest possible extent."

What is really important is whether or not the Canadian exhibit—both within and without—will do a first-class job of merchandising Canada's travel, investment and business opportunities to the people of the United States.

• • •

Europe's Deep Consciousness of the war threat was shown in an advertisement which appeared the other day in the Paris edition of the New York Herald Tribune.

Under the heading "personal" was printed this:

"Dr. Merrill, dental surgeon, wishes to announce that he will practise in Deauville and Paris in case of unfortunate political circumstances."

• • •

So Long As genial W. D. (Bill) Black, president of the Otis-Fensom Elevator Co., is president of the Canadian Manufacturers' Association, there need be little cause for friction between the C. M. A. and its young and potent rival, the Canadian Chamber of Commerce.

Mr. Black has always been a strong "Chamber" man; was one of those nominated by the Chamber of Commerce in its famous Bank of Canada directorate slate.

His inclusion in the annual programme of the Canadian Chamber at the Seigniory Club last week marked an important innovation in the history of these two organizations.

But apparently this bonne entente proved too much for the Windsor Daily Star. It reported the Chamber meeting under a seven-column streamer which ran: "C. M. A. asks Less Business Control."

Sayings of the Week . .

"The farmer lives by farming the land and the rest of you live by farming the farmer."—*F. E. M. Robinson.*

• • •

"The railway situation still remains one of our gravest problems — a monument to political cowardice."—*George C. McDonald.*

• • •

"We shall have really balanced public budgets only when it becomes good policy to produce them."—*Dr. Horace L. Brittain.*

• • •

"The argument that limited income presents intelligent handling of labor problems finds no place in my philosophy."—*Prof. J. C. Cameron.*

• • •

"All our provinces should have a progressive programme of such vigour as will make this country foremost among the nations of the world for travel."—*David H. Gibson.*

• • •

"I am inclined to believe that wheat growers, on account of the seasonal nature of their work, have much time to spare."—*René Morin, General Manager, General Trust Co. of Canada.*

• • •

"No partnership ever had a more logical foundation. Federal, provincial and municipal governments are simply branches of the same firm, The People of Canada Incorporated."—*Dr. Horace L. Brittain.*

• • •

"We can make more permanent use in this country of the state-builder's plane, his screws and joinery, than we can of his saw, his chisel and his wedge."—*W. McL. Clarke, Secretary, The Canadian Chamber of Commerce.*

• • •

"Governments are taking more than their fair share. As a result, salary and wage-earners and shareholders are getting less than they should receive." — *W. D. Black, president, Canadian Manufacturers' Association.*

• • •

"A strong central Government is essential to national unity, and, whether or not revenues or responsibilities are to be altered it should be a matter of prime importance to maintain and strengthen the financial position of our national Government."—*T. D'Arcy Leonard, K.C.*

• • •

"Labor policies are not picked up ready to use out of books, at universities or at conventions. The particular policy that will suit your plant must be hammered out by thinking through the implications of various plans and proposals and by intelligent experiments." — *Professor J. C. Cameron.*

• • •

"Our activities might have been likened to the job of the farmer because the Canadian Chamber of Commerce was, at the same time, the sower, reaper, binder and seller of that product known as business opinions on Dominion-Provincial relations."—*Henry W. Morgan, executive chairman, Canadian Chamber of Commerce.*

• • •

"In Canada at present the price charged for transportation and the actual cost of it are two very different things. It is the true ultimate cost that the farmer must meet and which determines his profit. In other words no class in Canada has so great an interest in an adequate solution of the railway problem as we have."—*F. E. M. Robinson.*

—*Cartoon by Grassick.*

NOW WE CAN GET ON WITH THE GAME

Post-Scripts . . . .

Twelfth President

Not mentioning any names, there are some organizations in Canada which choose their future presidents in Canada so far in advance that a keen observer can establish the line of succession two or perhaps three years in advance.

J. S. McLEAN

Not so the Canadian Chamber of Commerce. Although its official roster fairly bristles with scores of prominent Canadian "names" the Chamber is just as likely to jump clean out of the beaten track to pick the man it thinks will best do a particular job.

Whether that man is one of a dozen or more "vice-presidents" or whether he is even active in local Board of Trade or Chamber of Commerce matters seems not to matter at all.

Such a choice was made last week when the 12th annual convention of the Chamber named J. Stanley McLean, president for 1938-39. This 62-year-old Durham county boy whose chief job is selling about $62 millions of bacon and meat products each year, was not even in Canada when the Chamber decided to approach him with the nomination.

He was sailing round the world with his wife and daughter, attending among other things the Sydney (Australia) Conference on British Commonwealth Relations.

A powerfully worded cable from the present chief executive of the Chamber turned the trick with the result that the dynamic president of nation-wide Canada Packers, Ltd. will find on his shoulders when he returns, one of the most important "extra-mural" jobs in Canada.

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A one-time school teacher who went as a clerk to the Harris Abattoir Co. some 37 years ago, Stanley McLean now heads the largest packing house in Canada.

As reported in this column last December, one of his most important outside interests to date has been Toronto's Massey Music Hall—owned and managed as a public trust, of which Mr. McLean is chairman. Another interest is the Canadian Institute of International Affairs under whose auspices (in part) the present conference in Australia is being held.

Still another is his Dining Club—a compact, influential group of men now holding positions of prominence and distinction in many walks of life and held together for the most part by the common bond that they all graduated from University College in 1896. Mr. McLean is the perennial president. Meetings are held just as often or as seldom as the membership pleases.

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Outside his business, Stanley McLean is still very much of the pedagogue.

To hear him discuss problems of economics or political science one might easily mistake him for a professor. One of his favorite topics on which he holds deep and well-reasoned convictions is the "democratization of industry."

His belief, in brief, is that in every country — especially industrialized countries—a major struggle is in process as between two opposing methods of producing and dividing wealth. The Capitalist as against the Socialist system.

Mr. McLean argues that the major job for business is to achieve some workable form of democratic control and operation in its day-to-day relationships between employee and employer. Something analagous to the democratic form of government as worked out by capitalist countries in the realm of politics.

In effect this can be done, says Mr. McLean, by first guaranteeing to the worker a safe job and then dividing profits on an agreed basis between the shareholders and all employees, including laborers, salesmen, office workers, executives, etc.

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In his new job as president of the Canadian Chamber of Commerce, Mr. McLean will be expected to travel from coast to coast (no new thing for the head of a concern that does business in every nook and corner of the Dominion) and to sound publicly on every possible occasion, the Chamber's year-old theme song of "National Unity" so ably developed in the past 12 months by past president George C. McDonald of Montreal.

H. G. Garrett

If you have not known H. G. Garrett as a former senior tennis champion of British Columbia or as a very capable golfer you may have met him at the gatherings of insurance superintendents or other insurance gatherings where he has been a prominent figure for some years.

While a resident of British Columbia long enough to be regarded as a Canadian he really comes from the old land, having been born in England and educated at St. Paul's school and Oxford University.

Trained in the law, he is a member of both the English and the British Columbia bars, a qualification which has stood him in good stead in his work as an official of the provincial government.

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Some 20 years ago he entered the service of the Province of British Columbia when he was appointed Registrar of Companies and Superintendent of Insurance. A few weeks ago he was named president of the Association of the Superintendents of Insurance of the Province of Canada.

For many years he has been active as Registrar and Superintendent trying to bring about improvements in insurance legislation and regulation and in the sale of securities and promotion of companies.

As superintendent of insurance he has been very active in all the affairs of the provincial superintendent's association. He has for a long time been chairman of the Standing Committee on Life Insurance Legislation responsible for uniform life insurance laws in the Dominion. This service alone has been of great advantage to the insurance business in Canada.

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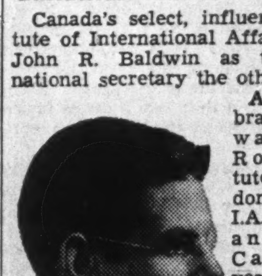
Canadian Institute

Canada's select, influential Institute of International Affairs named John R. Baldwin as their new national secretary the other day.



JOHN R. BALDWIN

A potent branch of the war-born, Royal Institute in London, the C.I.I.A., was organized in Canada 10 years ago. It was not, however, until 1932 that it took aggressive steps to expand its sphere and influence by appointment of Escott Reid as its first permanent secretary. Now its membership stands at over the 1,100 mark, having more than doubled in recent years.

It has branches in all major Canadian cities to carry on its avowed purpose of developing an informed cross-section of public opinion among those in responsible executive positions.

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Men who have played a major part in its quiet, influential growth include Vincent Massey, Canada's High Commissioner at London, the late Sir Robert Borden, John W. Dafoe, J. M. Macdonnell, present chairman of the National Executive and E. J. Tarr, president of the C.I.I.A.

In addition to study groups the Institute has built up a valuable fund of specialized material on international and Canadian topics. It has sponsored publication of several books which have made important contributions to Canadian thinking, including "The Canadian Economy and Its Problems," by Dr. Harold Innis and Prof. A. F. W. Plumptre; "Canada, the Pacific and War," by William Strange; "Canada Looks Abroad," by MacKay and Rogers; "Canada Today," by F. R. Scott. Other books now in preparation include such important subjects as Canada's wheat problem, our Japanese problem, the problem of Canada's news sources, etc.

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John Baldwin

John R. Baldwin is the son of a Baptist clergyman born 26 years ago at Toronto. Being a preacher's son he was early subjected to ministerial perambulations and was moved to Cornwall at the age of six months. As a good Baptist he attended McMaster University, graduating there in 1933 with the Governor-General's medal. The next year he took his M.A. at Toronto by aid of an Alumni Federation War Memorial Fellowship.

He specialized in international history and wrote a thesis on Canada's post-war treaty relations. He was subsequently awarded a Rhodes Scholarship and spent three years at Christ Church, Oxford, specializing in the field of British foreign policy in the 19th century.

Recently he has been lecturing in history at McMaster University. He gained added background by attending the Institute of Pacific Relations Conference at Yosemite, California, in 1936 as one of the Canadian secretaries. He was also secretary to the Canadian delegation of the International Studies Conference in Paris in 1937.

Mr. Baldwin's full name is John Russel (spelled with one "l"). He is the third or fourth generation of Irish Baldwins to be called by that name.

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At Oxford as well as at McMaster, John Baldwin distinguished himself as a student, an athlete, and as an acknowledged leader in residence and college life. He played on the Oxford lacrosse team and on two occasions he spent the Christmas recess touring Europe with the Oxford hockey team. He is also proficient in track and field games, having won the broad jump championship at Oxford.

While at Oxford he lost no opportunity to gain first-hand information as to the situation in the various countries of Europe. The holiday seasons he utilized by travelling extensively on the Continent. He claimed it was cheaper to travel on the Continent than to remain in London.

At Christ Church he gained a reputation for making coffee, even though he had to make it at first in a pail over an open fire. After searching London for a percolator he finally sent a rush order to his mother in Toronto to send him one. His friends have never been able to learn whether there were too many "grounds" in his coffee or whether he merely wished to enhance his reputation.

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"Baldy," as his friends call him, almost became a politician while at Oxford. During the last British election he took an active part in the campaign. In fact, at one time he seriously considered staying in England and going into politics.

There is one thing for which he is, famous among his friends, namely, his stories. He always has a bagfull and he has a habit of stretching out a simple yarn into a long and involved tale. In fact, it will go on and on before the climax is reached. If he starts telling you one—beware.

Monday Holidays . . . .

Montreal Gazette

We have just had our Labor Day holiday, the first Monday in September and fixed as such by statute. It was, as always, an example of the far greater benefit conferred upon the public by a long week end of rest and recreation in contrast with the restricted enjoyment and the confusion that are unhappily characteristic of what are called floating holidays.

It will be recalled that Canada's national holiday, Dominion Day, fell this year upon a Friday. The statute requires that the birthday of the Dominion be celebrated on July 1, the only exception being that if the day chances to be a Sunday the holiday is taken on Monday, the same rule that applies to Christmas Day and New Year's Day. The two last mentioned holidays cannot be changed, for obvious reasons, but Canadians ought to be in a position to make the most of Dominion Day, and they cannot do so under the present system.

This year, as many will remember with sorrow and resentment, the Friday holiday was followed in very many instances by a half-day of work on Saturday, the result being that the enjoyment of a long week end was rendered impossible for thousands of employees of all ranks.

The desirability of altering this undesirable condition and having the Dominion Day celebration on the Monday nearest to July 1 was discussed by The Financial Post of Toronto which strongly advocated the change. The Gazette supported the proposal at that time and is more than ever convinced of its worth after the experience of Labor Day.

Other newspapers are of the same mind, the view expressed by The Gazette and The Financial Post having been commended even as far away as Prince Rupert.

The public, we believe, would warmly welcome an alteration which would in no way impair the historical or patriotic significance of this national birthday celebration, but would, on the contrary, enable Canadian citizens and their children to reap far greater benefit, physically and spiritually, than is possible under the existing statutory arrangement. The change can do no possible harm; unquestionably it can do a great deal of good.

In the Mail . .

Editor, The Financial Post:

I am enjoying Mr. Chalmers's excellent letters, but not nearly so much as I would if they had not been written or printed in what I consider the abominable style of single sentence paragraphs — a fashion that I regret to see is coming into vogue. It is not English prose.

The paragraph has its place and use as well as the sentence. Trying to read prose broken up into paragraphs of two or three lines is like trying to read a dictionary. It spoils a writer's style.

Writing in jerks tends to thinking in jerks.

Excuse my saying this. I like The Post, but this recent departure makes it much less pleasant.

F. H. BELL.

155 Barrington St.,
Halifax, N.S.

Political Accounting

Editor, The Financial Post:

It is a unique system of accounting to eliminate $904,655,718 from the accounts of the Canadian National Railways, and at the same time transfer $658,327,701 to a new account styled "Proprietor's Equity" on which interest is not charged—a total of $1,562,983,420 removed from the liabilities of the Canadian National Railways. If this account were audited as an ordinary business account it would show the National Railways deficits from 1928 to 1937 exceeded over $100,000,000 per annum.

S. T. MALKIN,

Orrville, Ont.

As Others See Us . . . .

Losing Customers

St. Catharines Standard

Ontario will have no exhibit at the big World's Fair in New York next year, according to the announcement of Premier Hepburn. The Financial Post thinks this is a pity and suggests that the Premier reconsider his decision.

It does appear as if this great province were missing a big chance to go after potential customers in tourism and many other ways. Even now, if there were no New York State markers tripping over this way, a gigantic hole would be made in the tourist traffic of the country.

Who Pays the Taxes?

Brantford Expositor

Commenting on the advocacy, by a Toronto controller, of a dollar poll tax on every tenant, to cover social services, The Financial Post, in its current issue, agrees that "whether in this form or not, a way will have to be found to provide for direct taxation of those who are not property owners in our heavily assessed overtaxed cities." Such a tax, The Post says, might do more than anything else to check civic extravagance.

Possibly the best solution would be to make everyone pay an income tax, properly graded, of course, to prevent the wage-earner in the lower brackets from being unfairly treated. Revenues derived thus could be applied to reduce some of the insidious "indirect" taxes to the general benefit of all citizens. Thus, in the long run, nobody would pay more taxes, but the unmistakable advantage would be that everyone would have forcibly impressed upon him that he was a taxpayer, that he had a real "stake" in the country and in the community. Such realization should have a marked and immediate psychological effect leading to more general and intelligent interest in public affairs, something too often conspicuous by its absence.

Other People's Views . . . .

Coming Off Relief

Printed Word, Toronto

This year in western Canada, and especially in some of the southern parts of Saskatchewan, there is occurring an event of great sociological importance. It is the phenomenon of people coming off relief.

There are people on relief in the East and elsewhere in the Dominion. With the passing years, relief has become a common thing all over the country, although only a dozen years ago it was thought that citizens of this new continent would never have to face anything like "the dole" as it was known in England.

It is hard to get people off relief. Even in the better times of the first half of 1937 the relief rolls had a gloomy tendency to grow. During that year attempts were made in many parts of the country to shake people from the rolls, but without much success. Relief had tended to become a vested interest.

But people are coming off relief in some parts of the Prairies. It is a test of character greater than almost any other test that could be devised. All the devastating effects of relief are laid bare when men and women are given a chance to do for themselves again. Nature has now provided that chance and the test is on.

There has been high courage in the West through the past half dozen or more years. The morale of the people has been an inspiration to the whole country. But in many ways the test of this year is more severe. It is the test of responsibility.

Scarcity and Abundance

National City Bank of New York

It should be emphasized that a turn in prices will not mark a turn to prosperity unless it is the forerunner of greater production and greater consumption.

It is not sufficient merely to support markets by Government fiat, by artificial and extreme curtailment of output which leaves producers and resources unemployed, or by expenditures of Government funds which represent heavier taxes or greater debts. These devices may balance the market position, but if they do it by reducing the employment of productive resources, they will in the long run reduce the general standard of living, and tend to become unsupportable. The difference is between achieving a balance upon a scarcity basis and one upon a basis of abundance.

Stop Me If . .

Mrs. Johnston (learning to drive): "But I don't know what to do!"

Mr. Johnston: "Just imagine that I'm driving."

Week in Business

Business Turns Gladly To Problems of its Own

Enters Fourth Quarter Confident That Normal Buying Power in Sight — Coming Treaty and Low Farm Prices Current Worries

Thankfully Canadian business can again revert to worrying about its own problems; those over which it has some control.

The third quarter of the year just completed has been frankly disappointing. The last is opening much more hopefully.

If there had to be any great disturbance, such as that just experienced, it could not have occurred at a better time. Summer business aside from construction and tourist trade is invariably slack. The real periods of spending come in the fall and spring. At such times your average man is interested in purchasing durable goods, household and farm equipment, new clothes, automobiles and furniture, decorating his house. At such times, too, railroads are busy and lumbering active.

Now with stability of prices and jobs more assured than for many weeks the average man is regaining confidence and preparing to spend normally again.

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Only one major uncertainty lurks on the horizon. This is the coming trade treaty with United States, to which is linked a parallel deal between United States and Great Britain.

Recently Canadian trade negotiators returned to Washington with final instructions. There is reason to believe that British negotiators too are in the concluding stage. Only possible hold-up lies in the impending congressional elections in United States. Either the treaty will be signed well before these elections or it will be postponed until they are out of the way early in November.

In the meantime our important foreign trade remains disturbed. Exporters of wheat, fruit, bacon and cattle to Great Britain are not sure how long present Empire preferences will last. They are trying to push volume but buyers across the Atlantic are naturally hesitant, realizing that any scrapping of the Ottawa Agreements will result in some dislocation of prices if not a permanent reduction.

Exporters of cattle, lumber, newsprint, base metals and fish to United States are also affected. There may be a wider and better market south of the line after the new agreement.

Importers, especially from United States have been forced to adopt a cautious attitude and at a season when these imports normally would be approaching a seasonal peak. If the 3% special import tax goes, then imports will be bought more cheaply after the agreement.

In the meantime too, general retail business is disturbed fearing, with reason, a general readjustment of prices throughout Canada if American goods come into this country suddenly and on more favorable terms.

Undoubtedly when the new agreement is announced there will be safeguards. It is not likely that it will go into immediate effect. No changes may be made until after the new year, in which case of course Christmas buying would not be influenced at all. But there is no more certainty about dates than there is of details, hence the present caution.

Business Indicators

Current business steady with drop of one point in D. B. S. index for week of Sept. 24.

Employment up about 3% in September over previous month but still well below year ago.

Carloadings continue gains over recent weeks but not yet up to 1937 pace.

Railway earnings, gross for both railways now running steadily above a year ago, net in August much improved. Gain largely due to heavier grain movement.

Construction in September within 10% of last year's volume. Residential building this year actually exceeding 1937.

Oil—Domestic production far ahead of 12 months ago, imports being cut down accordingly.

Current trend in Canadian business shown by The Financial Post index of business activity, with new figures for the week marked thus▲.

	Sept. 24	Sept. 17	Sept. 10	Sept. 3	Sept. 25/37
Weekly index, D.B.S.	108.3	109.3	110.4	109.4	110.4
Commodity prices	77.4	74.5	74.0	74.6	85.0
	Aug.	July	June	May	Year Ago
Financial Post index	109.1	108.0	109.6	109.6	123.8
Retail trade index no. of sales	....	69.6	81.4	80.3	74.2
Dept. store sales "	74.9	75.3	74.4	73.4	80.3
Wholesale index no. of sales	....	90.6	100.3	95.5	97.4
Country sales (% of gains)	.1	*4.2	1.6	*2.2	13.7
Employment D.B.S. Index—	Sept. 1	Aug. 1	July 1	June 1	Year Ago
All industries	115.5	112.1	113.5	111.9	123.2
Manufacturing	114.4	110.0	111.8	112.3	121.2
Wage earners, No. (000)■	....	....	2,308	2,338	2,470
Living costs‡	....	$17.90	$17.45	$17.43	$17.20

	1938	1937	Jan. 1 to date 1938	Jan. 1 to date 1937
Railways—				
Carloadings, week (Sept. 24)	▲60,812	63,539	1,722,659	1,887,057
C.N.R. gr. earn., wk. (Sept. 30)	$ ▲3,994,954	$ 5,877,384	$ 130,337,435	$ 146,075,299
C.P.R. gr. earn., wk. (Sept. 30)	$ ▲3,395,000	$ 4,773,000	$ 100,345,000	$ 105,101,000
C.P.R. net revenue (August)	$ ▲491,021	$ 576,613	$ 3,679,387	$ 9,932,228
C.N.R. net revenue (August)	$ ▲660,248	$ 558,530	$ •5,116,693	$ 8,185,377
Iron and Steel (August)—				
Pig iron production (tons)	49,477	74,578	504,873	578,258
Steel ingots and castings prod. (tons)	82,781	126,695	837,449	962,840
Automobiles (Number)—				
Passenger Cars:				
Domestic sales* (August)	4,591	6,344	71,820	92,465
Factory output (August)	3,063	5,814	84,438	115,884
Trucks and Buses:				
Domestic sales* (August)	2,613	2,730	20,265	23,533
Factory output (August)	3,389	4,928	33,179	41,364
Exports (August)	3,912	8,802	43,632	51,416
Financing (August)—				
Used	$ ▲3,188,821	$ 3,179,395	$ 26,335,209	$ 26,325,602
New	$ 2,484,386	$ 3,187,305	$ 25,231,862	$ 31,281,438
Construction—				
Cons. contracts (September)	$ ▲19,534,900	$ 21,715,000	$ 143,461,700	$ 178,406,900
Cement, bbls. (June)	749,047	752,683	2,167,461	2,090,006
Clay (June)	428,527	485,917	1,564,088	1,596,548
Gypsum, tons (July)	137,554	125,674	474,748	503,090
Agriculture—				
Flour prod., bbls. (July)	928,722	1,089,159	6,439,851	7,148,658
Flour exp., (Aug.)	286,270	288,608	2,220,586	2,700,279
Wheat exp., bus. (Aug.)	6,266,055	6,544,967	39,298,031	58,871,691
Cattle sales (July)	64,127	99,080	387,976	464,533
Hog sales (July)	43,619	73,276	409,863	597,087
Sea Fisheries (August)‡—				
Catch, cwts.	▲1,503,750	1,534,420	5,571,330	5,663,543
Landed value	3,378,445	3,200,660	12,017,682	12,579,648
Newsprint (tons)—				
Production (August)	220,303	319,876	1,682,720	2,423,830
Exports (August)	219,610	283,128	1,523,732	2,219,814
Mining and Oils—				
Coal prod., tons (August)	▲992,668	1,241,948	8,714,787	9,425,507
Coal imports, tons (August)	▲1,463,919	1,776,998	7,930,154	9,911,429
Gold prod., fine oz. (July)	420,778	347,716	2,638,946	2,323,704
Nickel prod., lb. (July)	17,404,131	15,795,714	126,399,272	127,279,412
Copper prod., lb. (July)	49,607,247	41,750,471	341,656,164	285,484,655
Crude pet. prod., bbls. (July)	▲693,332	244,931	3,612,757	1,307,544
Crude pet. imp. bbls. (August)	▲3,776,000	4,508,000	21,294,032	23,578,663
Electric Power Output (August)—				
Total monthly m.k.w.†	2,071,901	2,197,725	16,774,714	18,141,912
Trade—				
Imports (August)	$ 57,026,268	$ 69,965,939	$ 449,541,032	$ 522,777,568
Exports (August)	$ 36,537,952	$ 103,338,590	$ 580,937,398	$ 739,755,961
Other Industrial Factors—				
Dressed lumber, exp.:				
M. bd. ft. (August)	147,205	170,017	1,069,207	1,203,892
Boot & shoe prod., pr. (July)	1,626,772	2,055,533	12,573,625	14,538,744
Cotton, raw, imports, lb (July)	7,588,000	12,324,000	71,694,000	92,395,000
Raw rubber imp., lb. (August)	▲4,104,774	7,852,589	35,465,940	45,599,278
Cigarette cons. (Aug.) No.†	668,798	663,989	4,539,360	4,374,163
Sugar manufactured, lb.§	96,270,679	91,122,789	567,116,974	526,274,941
Finance—				
Bank debits (August)	$ 2,371,129	$ 2,612,858	$ 19,422,568	$ 23,519,603
Bond sales (August)	$ 51,358,000	$ 51,113,800	$ 775,662,361	$ 880,211,365
Life insurance (August)	$ 27,996,000	$ 28,411,600	$ 248,171,000	$ 253,567,000

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For four weeks to Sept. 10, 1938.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
‡For average family per week, food, fuel, rent. •Deficit. *Decrease.
■Estimated in employment.

Investments for Income

Favourable income returns are currently offered by securities of well-established public utility and industrial companies.

We shall be glad to submit suggestions on request.

Royal Securities Corporation Limited

244 St. James Street Montreal

330 Bay Street Toronto 2

Halifax, Saint John, Quebec, Ottawa, Winnipeg, Calgary, Vancouver, Charlottetown, Hamilton, St. John's, Nfld., London, Eng.

C.P.R. Reports Better Results

Decline in August Smallest Since November Last Year

From Our Own Correspondent

MONTREAL.—Net earnings of the Canadian Pacific Railway in August showed the smallest monthly decline recorded since last November. The decline for the month totalled $85,592, net earnings amounting to $491,021, as compared with $576,613 in August, 1937. In July, net earnings amounted to $507,337, a decline of $588,123 from the same month a year ago.

Indications are that September will show the first increase in monthly net earnings since July last year. For the first 21 days of the month gross earnings of the C.P.R. were $808,000 ahead of the corresponding period last year. It is probable results for the final 10 days of the month will show a further increase.

For the eight months ended Aug. 31, net earnings show a decrease of over $6.2 millions, or 62.9%. This is due to lower revenues and higher expenses. Whereas expenses would ordinarily be lower with a smaller volume of traffic, they actually show a small increase for the first eight months. This is due to restoration of wage-cuts.

Month of August	1938 $	1937 $
Gross earnings	12,183,303	11,914,929
Working expenses	11,692,282	11,388,316
Net earnings	491,021	576,613
Eight Months Ended Aug. 31		
Gross earnings	84,560,857	90,746,718
Working expenses	80,881,470	80,814,490
Net earnings	3,697,387	9,932,228

Foreign Business

United States Department of Commerce summarizes foreign business as follows:

Argentina — Business conditions failed to improve in September, and the European situation induced wide fluctuations in grain prices, accompanied by unsettlement in local securities market.

Brazil — The Brazilian situation showed mixed trends during the past month, but an advance in coffee prices stimulated business in coffee areas up to the latter part of the period.

Bolivia—Continued reduction in tin export volume was offset by increasing tin prices, the general economic position changing but little.

France — Uneasiness is felt over international tension but encouraging domestic factors are the increased flexibility of the 40-hour week provisions and the reduction of merchandise stocks.

British South Africa — Gold production in the Union of South Africa in July exceeded 1,000,000 ounces for the first time; exports for 7 months show a smaller surplus over imports than last year, owing to the decline in commodity shipments.

Australia—Commercial and industrial activity is well maintained except for some tapering off in manufacturing, owing to low export prices.

China—Air-mail service between Hong Kong and Hankow was resumed on September 20, but suspended temporarily on the 24th because of incomplete preparations for night flying.

Goodyear Sales Lower But Dividends Covered

Goodyear Tire & Rubber Co. of Canada reports that earnings for the first three quarters of 1938 compare satisfactorily with those for the corresponding period of 1937 and have been sufficient to cover preferred and common dividends, after ample provision for depreciation, obsolescence and reserves.

A. G. Partridge, president, states that sales have been somewhat lower than last year. General business conditions, however, shows signs of improvement, he says, and with production on 1939 model automobiles getting under way, it is expected that sales in the fourth quarter will keep up well.

The experience of Goodyear is quite in line with conditions generally in the rubber trade this year. Production of tires in the first seven months was down 478,000 to 1,265,211. Shipments by the industry in Canada during this period totalled 1,424,415 tires, a decrease of 432,000. Of the drop, 224,000 was in exports, 205,400 in tires sold to automobile manufacturers and 2,600 in tires sold for replacement purposes.

Foreign Exchange

Foreign exchange markets during the week have pursued a highly erratic course. Just before the announcement of the Munich Conference, the pound dropped to a five year low at $4.61 then swung back sharply gaining 11 cents when the news brightened. The Canadian dollar likewise sold off sharply, New York funds at one time being at a premium of 3½% in Canada. Since then both currencies have strengthened materially but are still well below par.

AT TORONTO AND MONTREAL

U. S. Dollar	High	Low
Oct. 3	1.00$\frac{11}{16}$	1.00$\frac{7}{16}$
Oct. 1	1.00⅝	1.00½
Sept. 30	1.00⅞	1.00½
Sept. 29	1.00⅞	1.00¼
Sept. 28	1.00½	1.00⅜
Sept. 27	1.00$\frac{11}{16}$	1.00$\frac{7}{16}$

U. K. Pound	Closing	Last Year
Oct. 3	4.82½	4.95⅝
Oct. 1	4.85¼	4.95½
Sept. 30	4.86	4.95
Sept. 29	4.84	4.95
Sept. 28	4.82¼	4.94¾
Sept. 27	4.81⅝	4.94⅞

Other Currencies, Oct. 3

Australia	3.86⅝	Italy	.0529⅞
Belgium	.1701⅝	Japan	.2821⅛
Czecho.	.0347½	Jugoslavia	.0234⅝
Denmark	.2154¾	N. Zealand	3.89⅝
France	.0269½	Norway	.2436½
Germany	.4035½	S. Africa	4.81½
Greece	.0089⅝	Sweden	.2489
Holland	.5479⅛	Switzerland	.2297⅝
Hungary	.1993⅝	Hong Kong	.3027⅛
India	.3628⅛		

Let the Public Know the Facts

(Continued from page 1)

ing the meeting with the stock phrase "the meeting was routine."

Investors were not only intelligent, said Mr. Baldwin, but were most sympathetic to the problems of management when they were extended the confidence they rightfully deserved. Admittedly, he went on to say, certain information must be withheld from public discussion, namely, that which is of such a nature as might be used advantageously by competitors. However, there were other policies which management might adopt in bettering their public relations with the investor.

To the end of creating a better understanding with its shareholders, Mr. Baldwin said that management has in its possession always a running narrative of facts which are of interest and which should be told at regular intervals.

Secrecy Breeds Distrust

Undue secrecy breeds distrust, Mr. Baldwin stated, and that management which does not consider it incumbent upon it to address information to the shareholders more often than at a shareholders' meeting once a year unquestionably creates the atmosphere in which rumors flourish.

"The best protection against rumors, wholly false or partly true, and their resulting consequences, is regular release of pertinent facts, monthly or quarterly earnings statements and frank exposition of actual changes in conditions affecting the company as they occur."

Along these lines, Mr. Baldwin said, it was of prime importance for management to establishment its good faith by releasing promptly available news so that the investor will have no uncomfortable feeling that the information is being previously acted upon marketwise.

Lack of Foresight

Relations between the corporation and the investment dealer were dealt with in detail by Mr. Baldwin, who said that no company, public or private, could afford, by its policy, to ignore the possibility, no matter how remote, of having at some future date to procure new capital.

"Many instances," he said, "are recorded where actually successful companies, particularly private or family companies, have found it impossible to procure new capital or long-term funds, simply because the methods of accounting have been such as to create an unfavorable statistical record.

"This lack of foresight on the part of management has prevented companies obtaining capital necessary for sound expansion, retarding and even jeopardizing the future of enterprise."

While there is much that management can do to better public relations, Mr. Baldwin said that shareholders also had a responsibility by attending meetings when possible, by solicitation of information, by advocating the service and products of the company and by assisting in the establishment of satisfactory public relations.

Sales Slump Hits High Priced Cars

Registrations Running 25% Below Year Ago in Eastern Canada

Medium-priced automobiles suffered seriously in the decline of sales in eastern Canada in August, a summary by Canadian Automotive Trade reveals. Total registrations were down about 25%, but on some of the lines selling for around $1,600 the drop from a year ago ran up as high as 50%. This was contrary to the trend last season when medium and higher-priced cars made largest percentage gains. Total sales for the year to date show Ford in the lead. Chevrolets, Dodge, Plymouth and Pontiac following.

Details of leading models are as follows:

New Passenger Car Registrations (In Eastern Canada)

Leading Models	Aug., 1938	Aug., 1937	Year to Date 1938	Year to Date 1937
Ford	674	833	12,354	14,514
Chevrolet	651	1,192	10,756	14,837
Dodge	469	503	8,238	10,587
Plymouth	367	563	7,827	9,382
Pontiac	281	354	3,725	4,476
Oldsmobile	193	325	2,156	3,949
McL. Buick	138	346	2,802	2,976
Lafayette	99	154	1,658	1,697
Hudson	85	23	1,221	418
Chrysler	75	98	2,143	2,549
	3,053	4,391	52,880	65,385

Background of Business

New Tomato a Dud?

The much touted Jan-Ru Tomato, which Toronto newspapers heralded as a new find for the canning trade, is turning out to be something of a dud, according to Canadian Grocer. The latter publication understands that fruit produced this year has turned out a wide variety of size and does not, as hoped, uniformly resemble the small plum type Italian tomato that was expected. Seed is reported to have sold as high as $60 per pound last spring. Apparently the type has not been firmly fixed and hybrid plants are quite likely to bear fruit not true to parent.

• • •

Butter Output

Butter production in Canada for the first eight months of the current year was up almost 9% over the corresponding period of 1937. In August alone the gain was over 11%. Every province participated in this late summer advance, with particularly striking expansion in Alberta, Ontario, Quebec, New Brunswick and Nova Scotia.

Totals for the first eight months showed gains in every province with the exception of Saskatchewan, which, in spite of big advances late this summer, was still running about 1% below a year ago. However, what may be expected from improved pasture is indicated by recent developments in Alberta, where gains to date over a year ago have been almost 25%.

Heavy accumulation of butter stocks in Canadian cold storage have been causing consumers a good deal of concern and, of course, are responsible with this continuing increase in current output for much lower prices. Output in Canada has now reached an export basis, but so far, exports have been relatively small, hence the increase in accumulation of stocks.

• • •

Fruit Preference

Lower prices for Canadian apples and pears on the British market so far this season is attributed in some quarters to possible loss of the special preferential treatment under the Ottawa agreements. If the present preference, which equals approximately $1.40 per barrel, is lost in the impending agreements between the United Kingdom and United States then English buyers would presumably be able to secure supplies cheaper later on. United States apple producers, have put strong pressure on Washington to get the preference on Empire fruit either eliminated or extended to American fruit.

British Columbia and Nova Scotia exporters are particularly concerned in this matter as the bulk of their output is sold in Great Britain.

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If Jones & Co. default for $10,000, is that a good reason for refusing credit to Smith & Sons? It is human nature to "clamp down hard" after a severe credit loss, but is it wise—is it necessary?

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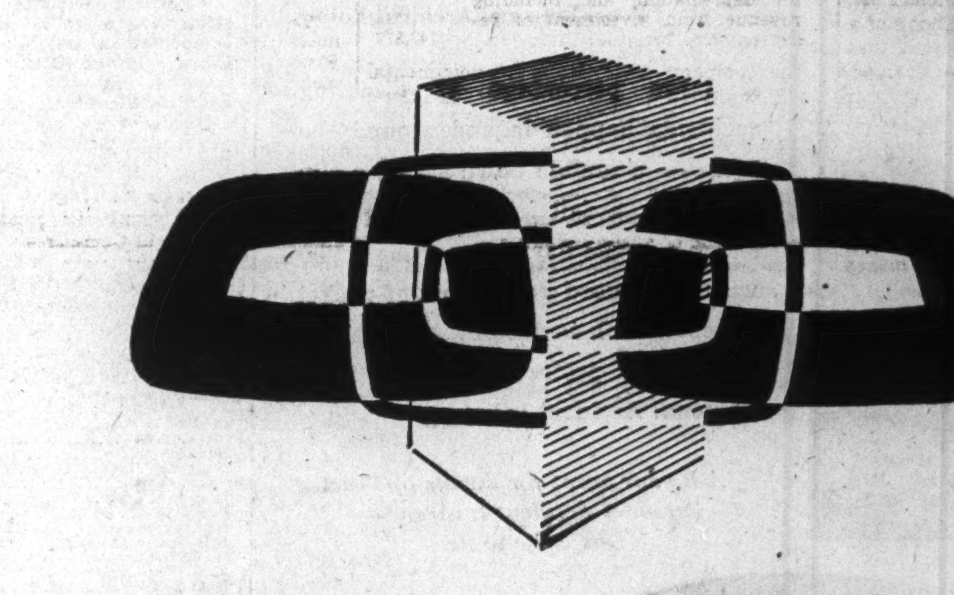

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Insurance

Stable Interest Rates Benefit Life Companies

Disadvantages Seen When Rates Are High or Low — Life Office Management Association Holds Annual Convention

Two main objectives in the management of a life insurance company, according to G. D. Finlayson, are (1) to invest the funds of the company so as to yield the largest return consistent with safety of principal and (2) to produce the largest volume of good persistent business consistent with a reasonable rate of expense.

Mr. Finlayson was speaking at the annual convention of the Life Office Management Association in Montreal last week.

The importance of the interest rate to the life companies and to their policyholders was also stressed by Mr. Finlayson.

"The rate of interest earned is a vital factor in the success of a company," he stated. "A certain minimum rate must be earned if reserves are to be maintained, and a somewhat higher rate should be earned as a margin of security and provision for dividends. Heretofore there have been wide fluctuations in the average rate earned by Canadian companies, the spread between the high and low in different periods reaching as high as 2%.

"Needless to say these fluctuations bring their peculiar problems to the management. When rates are depressed, the maintenance of dividend scales becomes impossible and reductions in those scales have repercussions in the ranks of agents and policyholders. On the other hand high rates are liable to induce an undue reliance on that factor, and a disregard of the expense factor, in the dividend computation.

A fairly stable rate of interest free from violent fluctuations is therefore in the interests of all concerned in the management of life insurance companies.

Revenue and Goodwill

"It must be remembered," he added, "that life insurance companies live not only by revenue but also by the good will of the public; that their interest is derived from securities.

"The prevailing rate is the resultant of many forces, economic, social, political, and if it is found that a comparatively low level for that rate is more in the public interest than a higher level, the companies must adapt themselves to it. It must also be realized that the cost of insurance rises with a fall in interest rates and that the public, as policyholders, must pay by increased premiums and decreased yield on the investment element in those premiums, for relief gained, as debtors, by a reduction in interest rates. What companies are entitled to expect, however, is a comparatively stable rate and a respect for the sanctity of contracts by the debtors."

Wholesale Criticism Unwarranted

A. B. Wood, president of the Sun Life Assurance Company of Canada, who welcomed the delegates stated that during recent years business houses and large corporations have been severely criticized by the public. "In this, life insurance has not escaped and among the criticisms levelled at the institution is that life insurance is too expensive and the public is called upon to pay too much to cover administrative costs." The wholesale criticism, he stated, was unwarranted and added that "while insurance companies are efficiently managed we should always be ready to put into effect any improvement in methods that will result in the saving of expenses."

The delegates were the guests of the Sun Life at luncheon and later were escorted on a tour through the building.

Public Relations and the Employee

Public relations were described by Eustace Brock, secretary of the Great West Life Assurance Company, as the function and responsibility of every employee. The reputation of the insurance business, he stated, was the responsibility of every single man and woman engaged in it.

That this responsibility is reciprocal was also stressed by Mr. Brock. There was he said a responsibility on the shoulders of management to see that the employees are treated with such consideration that in their daily lives and contacts they will disseminate throughout the community in which they live a spirit of contentment and loyalty and pride toward the institution in which they work.

At the executive meeting two Canadians were appointed to office. R. A. Taylor, assistant comptroller of the Sun Life, was elected president, and A. J. D. Morgan, assistant general manager of the Great West Life, a director.

PRESIDENT L.O.M.A.

R. A. Taylor, of the Sun Life Assurance Co. of Canada, who has been elected president of the Life Office Management Association, composed of member companies in Canada and the United States.

Ten Month Dividend Total Near 1937 Record Amount

It begins to look doubtful if Canadian corporations will be able to achieve their second successive record total of dividends paid this year. In 1937, an all-time record of $323.8 millions was paid, decisively eclipsing the previous record dividends total of $284.6 millions in 1930.

The Financial Post's estimate of October payments leaves the 10-month total for 1938 at $221.9 millions, about $1.6 million below the $223.5 millions for the corresponding period of 1937.

How close 1938 will come to beating last year's record will not be known until December payments can be estimated. The last month of the year is always the month when payments reach their peak. In 1937, The Financial Post's estimate of aggregate December dividends showed $91.2 millions disbursed, a gain of $13 millions for the month. Even as good a showing as made so far this year, however, is a sign that business and profits generally are not so much below last year.

Six Months Up, Four Down

A comparison by months shows that six months so far have exceeded the corresponding months of 1937. But the other four months showed greater losses, leaving the year's total reduced. Monthly figures, as estimated by The Financial Post, follow:

Canadian Dividends

	1938 $	1937 $
January	23,078,522	22,442,635
February	5,018,310	5,722,623
March	23,731,375	21,500,656
April	22,535,469	20,677,082
May	5,711,004	6,847,152
June	69,178,056	71,561,770
July	27,403,971	31,212,047
August	5,926,268	4,584,939
September	19,844,761	19,226,197
October	19,505,640	19,489,503
Total, 10 months	221,933,376	223,504,965
November	......	9,045,612
December	......	91,176,638
	......	323,727,215

October Payments Higher

The month of October is going to see $19.5 millions in dividends paid by Canadian companies, a gain of about $16,000 over the same month a year ago.

Contributing to the latest month's better showing are extra dividends by nine companies, as follows: Bralorne, Cariboo Gold, Fanny Farmer, Guarantee Co. of North America, Hedley Mascot, Hollinger, Kootenay Belle, Teck Hughes and Wright-Hargreaves.

One company, Nanaimo-Duncan Utilities, has announced an increased rate of payment, while two mining companies, Laguna Gold and Moneta Porcupine, are making initial payments.

On the other hand two companies, Canadian Foreign Investment and Ottawa Electric Railway, have passed dividends ordinarily paid this month, and Reno Gold has reduced its rate of payment.

Arrears of dividends on preferred stocks are being reduced by four companies in October as follows: Canada Bread, Celanese Corp. of America, Sherwin - Williams and Standard Steel Construction.

Details of dividends scheduled for payment in October follow:

Summary of Payments

	1938 $	1937 $
Dividends	19,505,640	19,489,503
Bond interest	35,594,000	35,313,000
Total	55,099,640	54,802,503

Dividend Payments

Company:	Rate	Date	Amount $
Acme Glove	.12½q	1	3,000
Do., pref.	1.62½q	1	11,177
Agnew-Surpass, pf.	1.75q	1	15,464
Alta., Wood Pres., pf.	1.75q	1	4,075
Amer. Cyan., A & B	.15q	1	378,055
Assoc. Brew., pref.	1.75q	1	15,120
Bk. of N. Scotia	3q	1	360,000
Belding-Cort.	1q	1	7,495
Do., pref.	1.75q	1	15,142
Bell Telephone	2q	15	1,587,760
Bralorne Mines	.15q	15	187,050
Do., extra	.10	15	124,700
Brantford Cord., pf.	.32½q	15	12,662
Brazilian Tr., pf.	1.50q	1	5,901
Brit. Amer. Assur.	1.50s	1	37,500
Brit. Amer. Oil	.25q	1	655,660
B. C. Power, A	.50q	15	500,000
B. C. Elec. Pr., p.	1.50q	1	75,000
B. C. Telephone, 1st pf.	1.50q	1	15,000
Brockville Trust	.62½q	1	6,250
Building Prod., A & B	.50q	1	60,423
Burlington Steel	.15q	1	21,000
Burt, F. N.	.30q	1	32,318
Do., pref.	1.75q	1	994
Burry Biscuit, pf.	.75q	1	7,403
Canada Bread, 1st pf.	1.25q	1	15,625
Do., 2nd pref.	.62½q	1	15,625
Do., arrears	.12½	1	3,125
Canada Life	5q	1	50,000
Can. North. Pwr.	.30q	25	120,000
Do., pref.	1.75q	15	96,250
Canada Packers	.75q	1	150,000
Can. Perm. Mtge.	2q	1	140,000
Can. Breweries, pf.	.50q	15	81,714
Can. Car. & Fdry., pf.	.43q	10	121,739
Can. Canners, 1st pf.	.25q	1	47,719
Do., 2nd pref.	.15q	1	54,559
Can. Cottons	1q	1	27,155
Do., pref.	1.50q	1	54,922
Can. Fairbanks, pf.	1.50q	15	17,523
Can. For. Invest., pf.	2q	1	19,738
Can. Gen. Elec.	1.50q	1	283,267
Can. Gen. Invest.	.12½q	15	75,073
Can. Industries, A & B	1.25q	31	857,846
Do., pref.	1.75q	15	81,375
Canadian Oil, pf.	2q	1	40,000
Can. Westinghouse	.50q	1	273,000
Can. Wire Box, A	.37½q	1	19,456
Cariboo Gold	.02½q	1	33,332
Do., extra	.01½	1	19,999
Carnation Co., pfd.	1.25q	1	48,615
Celanese of Am., pf.	1.75q	1	288,431
Do., part. pref.	‡2	1	296,358
Central Can. Loan	2q	1	50,000
Charterd Trust	1q	1	10,000
Comm. Alcohols, pf.	.10q	15	5,000
Cons. Bakeries	.25q	1	79,611
Consumers' Gas	2.50q	1	363,880
Cosmos Imp., pref.	1.25q	15	5,875
Crown Life	3%q	1	8,352
Crown Trust	1q	1	10,000
Dome Mines	.50q	20	973,334
Dominion Bank	2.50q	1	175,000
Dominion Coal, pf.	.37q	1	88,800
Dom. Foundries	.40	1	48,261
Dom. Glass	1.25q	1	53,125
Do., pref.	1.75q	1	45,500
Dom. Textile	1.25q	1	337,500
Do., pref.	1.75q	15	33,960
East. Can. Savings	1.50q	1	11,250
Eastern Steel, pf.	1.75q	1	5,958
Economic Inv. Tr.	.62½s	1	24,953
Edm. C. Dairy, pf.	1.25q	1	9,666
Fanny Farmer	.25q	1	97,616
Do., extra	.25	1	97,616
Famous Players	.15	1	61,278
Gatineau Pwr., pfd.	1.25q	1	152,450
General Trust, pf.	1.50q	1	16,500
Goodyear Tire	.62q	1	159,501
Do., pref.	.62½q	1	75,000
Gordon & Belyea, pf.	1.50q	1	2,106
Do., 2nd pref.	1.50q	1	258
Gt. Lakes Power, pf.*	1.75q	15	13,125
Gt. West Life	5q	1	50,000
Greening Wire	.15q	1	28,500
Guar. of N. A.	1.50+2.50	15	24,368
Ham. Cotton, pfd.	.50q	1	10,000
Hedley Mascot	.03q	1	67,923
Do., extra	.01	1	22,641
Hinde & Dauch	.25q	1	74,983
Hollinger Cons.	.05	7	246,000
Do., extra	.05	7	246,000
Huron & E. Mtge.	1q	1	50,000
Imperial Life	3.75q	1	37,500
Inter. Bronze	.37½q	15	37,500
Do., pref.	.37½q	15	37,500
Inter. Milling, pfd.	1.25q	15	60,812
Inter. Power, pref.	1.50q	1	120,000
Int. State Rlty., A	.28q	1	28,000
Inv. Found., pf.	.75q	15	22,342
Jam. Pub. Service	.43¾q	1	19,687
Do., pref.	1.75q	1	13,125
Do., pref.	1¾%	1	5,652
Kootenay Belle	.04q	22	27,008
Do., extra	.01	22	6,752
Laguna Gold	*.05	15	150,000
Landed Banking	1.25q	1	12,500
Lang, J. A.	.17½q	1	17,500
Maple L. Gardens, pf.	.70	15	56,000
Maritime Tele.	.17½	15	64,584
Do., pref.	.17½	15	28,250
McColl- Fron., p.	1.50q	15	119,538
Mitchell, J. S., pf.	1.75q	1	4,840
Moneta Porc.	*.03	1	76,315
Mtl. C. & D. Bank	3q	1	60,000
Mtl. L. H. & Pwr.	.37q	31	1,660,935
Montreal Telegraph	.80q	15	40,000
Montreal Trams.	2.25q	4	157,500
Moore Corp.	.40q	1	149,372
Do., A & B pref.	1.75q	1	69,539
Nanaimo-Dun.	.20s	1	10,000
National Brew.	.50q	1	360,686
Do., pref.	.44q	1	48,840
Nat. Grocers, pref.	1.75q	1	51,681
National Steel	.50q	15	65,000
National Trust	2q	1	60,000
N. B. Telephone	.12½q	15	72,310
Niagara Wire	.25q	1	27,500
North Star Oil, pf.	.06¾q	1	17,500
Northern Ont. Pwr.	.75q	25	180,025
Do., pref.	1.50q	25	37,474
N. S. Light & Pr., c.	1.50q	1	51,784
N. S. Trust	3.50s	15	16,852
Ogilvie Flour, c.	.25q	1	150,000
Ont. Loan & Deb.	1.25q	1	50,000
Ottawa L. & Pr.	1.50q	1	52,500
Do., pref.	1.25q	1	21,250
Page-Hersey	1q	1	174,276
Petrol Oil & Gas	.02s	1	4,400
Pioneer Gold, B.C.	.10q	1	175,175
Porto Rico Pr., pf.	1.75q	1	17,500
Power Corp., pf.	1.50q	15	75,000
Do., 2nd pref.	.75q	15	75,000
Premier Gold	.03q	15	150,000
Prudential Trust	.12½q	1	2,190
Prov. Paper, pf.	1.75q	1	61,250
Reno Gold	.01½q	1	28,200
Remington Rand	.20	1	316,976
Do., pref.	1.12½	1	202,241
Riverside Silk, A	.50q	1	15,000
Sheep Creek G.	.03q	15	56,250
Sher.-Williams, p.	‡1.75q	1	60,550
Silbak Prem. M.	.04	25	100,000
Silverwoods, pf.	.20	1	29,000
Smith, H., Pap., pf.	1.50q	15	93,774
South. Can. Pwr., pf.	1.50q	15	106,333
Stand. Fuel, pf.	1.62½q	1	19,272
Stand. Steel, pf.	.75q	1	7,342
Do., arrears	.75	1	7,342
Stedman Bros.	.15q	1	13,500
Sun Life	3.75q	1	75,000
Sunset Oils	.02½	15	42,000
Tamblyn	.20q	1	22,400
Do., pref.	.62½q	1	3,750
Teck-Hughes	.10q	1	480,714
Do., bonus	.05	1	240,357
Tip Top Tailors	.15q	1	18,000
Do., pref.	1.75q	1	18,431
Toronto Gen. Tr.	1q	1	30,000
Toronto Mortgage	1.50q	1	29,595
Tuckett Tob., pf.	1.75q	15	35,000
Un. Bond & Sh.	.20q	15	5,271
Viau, pref.	1.25q	1	11,825
Wabasso Cotton	.25q	1	17,475
Walkerville Brew.	.02½	15	9,375
West Koot. Pwr., p.	1.75q	1	8,750
Western Assur., c.	1.20s	1	66,000
West. Grocers	.75q	15	12,706
Do., pref.	1.75q	15	20,899
Weston, Geo., c.	.20q	1	80,884
Wr.-Hargreaves	.10q	1	550,000
Do., extra	.05	1	275,000
Total			19,505,640

q—Quarterly. s—Semi-annually. *Initial. ‡Arrears.

Bond Interest Due in October

	1938 $
Municipal	7,877,000
Provincial	7,275,000
Dominion	20,442,000
Total	35,594,000

Insurance Problems

I have been informed that there is a life insurance company that issues insurance up to $3,000 without medical examination. I would appreciate it if you will kindly inform me if this is correct and the name of the company writing insurance under these conditions.

We understand that most life insurance companies in Canada issue insurance without medical examination. The conditions under which this is issued vary somewhat among the different companies. In some cases, the amount of life insurance which can be issued to an individual without medical examination is limited to $3,000. Some companies, we understand, will issue up to $5,000 but this appears to be the outside figure. Where insurance is issued for the maximum amount, it is only in the case of people up to 40 or 45 years of age. Over that age, the amount of insurance available without examination is less.

When applying for insurance without medical examination, one must be prepared to answer a number of questions regarding physical condition. If any of the answers indicate that a person has been sick or that there is anything wrong with his medical history, the company is privileged to ask for an examination.

As regards the names of companies writing non-medical insurance, we would suggest that you take this up with your life insurance agent.

Life Sales Likely To Show Gain

With the world freed from the threat of a major war in Europe and reasonably sure of "peace in our time," prospects are bright for increasing the sales of life insurance in Canada in the last quarter of 1938.

A total of $120 millions is a mark that might easily be attained on the Hartford "ordinary" life basis.

In the last quarter of 1937 sales amounted to approximately $109 millions and an increase of 10% would bring them up to around $120 millions for the last three months of 1938.

Ordinarily there is a substantial increase in sales in the last quarter of the year over those of the third quarter. In the previous three years this has ranged from 20 to 23%.

Figures for the third quarter of 1938 are not yet complete. They may be estimated at $84 millions.

This year in view of the relief from the war scare, the good western crop and the fact that the trend of business on this continent generally has been upward where a year ago it was down, a larger gain than usual in life sales might be expected.

Insurance Notes

Appointment of D. K. MacDonald as manager for Canada of The London Assurance has just been announced by A. E. Morgan, general manager of the company at London, England. Mr. MacDonald succeeds C. J. R. Coyle, who was recently moved to the head office to take up an important appointment there. Mr. MacDonald was formerly deputy manager of the company for Canada. Mr. Morgan has been visiting Canada recently.

* * *

Marine underwriters generally have reduced their rates on war risks materially below the level reached during the war scare. They are not down to the level prevailing before the situation became alarming nor is it expected that they will go back to that level for some time. Underwriters are apparently playing safe and are anxious to see the situation fully cleared before they return to the former schedule of tariffs.

* * *

The programme of the American life Convention which will meet in Chicago, October 10 to 13, includes the names of two prominent Canadian life insurance men. On Wednesday, October 12, H. W. Manning, co-general manager of the Great West Life Assurance Company of Canada will preside at the meeting of the agency section as chairman. On Thursday, October 13, A. N. Mitchell, president of the Canada Life, will speak on the subject "Thrift and Cheap Money."

* * *

J. M. Brown, assistant secretary of the Canada Life Assurance Company, is visiting the British Isles division of the company. He will be away for some weeks.

He comes DOWN...

but his expenses go UP

Unless he is protected by a Pearl Personal Accident Policy

A large percentage of disabling accidents happen in and around the home — a tumble down stairs, a slip on a rug, a fall in the bath tub, a stumble in the dark. Every man who wishes to guard against out-of-pocket expenses such as doctor's and hospital bills should protect himself by Pearl Personal Accident Insurance.

Ask your agent for details of Pearl Personal Accident Insurance— or write to us.

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LAWSON T. HARGREAVES, Manager for Canada. W. C. BUTLER, Supt. Casualty Dept.

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CRAVEN "A" are wonderfully cool and kind to my throat!

Craven "A" have a coolness and freedom from throat irritation that will make a world of difference to your smoking pleasure. The natural cork-tip ensures a cool, sweet smoke from first puff to last.

MADE SPECIALLY TO PREVENT SORE THROATS

CRAVEN PLAIN (WITHOUT CORK-TIP) SAME FINE QUALITY AS CRAVEN "A"

In Green Packets 20 for 25c. Carreras Ltd., London, Eng.—150 years' reputation for quality C.A.487

FIDELITY Insurance Company of Canada TORONTO

A Skin Blemish *may be a Cancer in the making*

Don't be a self-appointed quack! Let moles, warts and other blemishes alone. Ask your physician whether or not removal is advisable.

MOLES and other skin blemishes usually are just what they appear to be—entirely harmless disfigurements. But as the years go by they sometimes develop into skin cancers, chiefly because the danger is not recognized and they are not treated in their early curable form.

As long as a mole, wart, brown or crusty patch, scar or other skin growth does not change from year to year, you need not give it serious thought. But be on the lookout for such signs as darkening in color, increase in size, scaliness, or a tendency to bleed.

An open wound which refuses to heal is rarely cancerous in the beginning. However, if untreated, it may develop into a stubborn form of skin cancer which is exceedingly difficult to conquer. Prolonged exposure to strong sunlight may lead to skin cancer. Excessive smoking is held responsible for many lip cancers.

Beware of quack remedies such as salves, ointments and other "cures" for any abnormal skin condition which may be cancer. Only surgery, X-rays, or radium in the hands of a competent surgeon or physician can, as a rule, cure cancer. Self-treatment is dangerous. Innocent moles and warts, which many men attempt to remove with caustics or amateur surgery, may reappear as malignant growths.

Let your doctor decide whether or not early surgical removal is necessary, especially if the growth is located where it is constantly exposed to irritation.

Skin cancers are the easiest of all to detect and cure, yet they kill more than 3300 persons every year in Canada and the United States. If you have the slightest suspicion that a mole or other skin condition may be developing in any unusual way, see your doctor at once. Most skin cancers, given prompt and skilful treatment, can be cured without deformity.

Send for the Metropolitan free booklet "Cancer." Address Booklet Department 10-F-38 Canadian Head Office, Ottawa.

METROPOLITAN LIFE INSURANCE COMPANY

NEW YORK

FREDERICK H. ECKER, Chairman of the Board — LEROY A. LINCOLN, President

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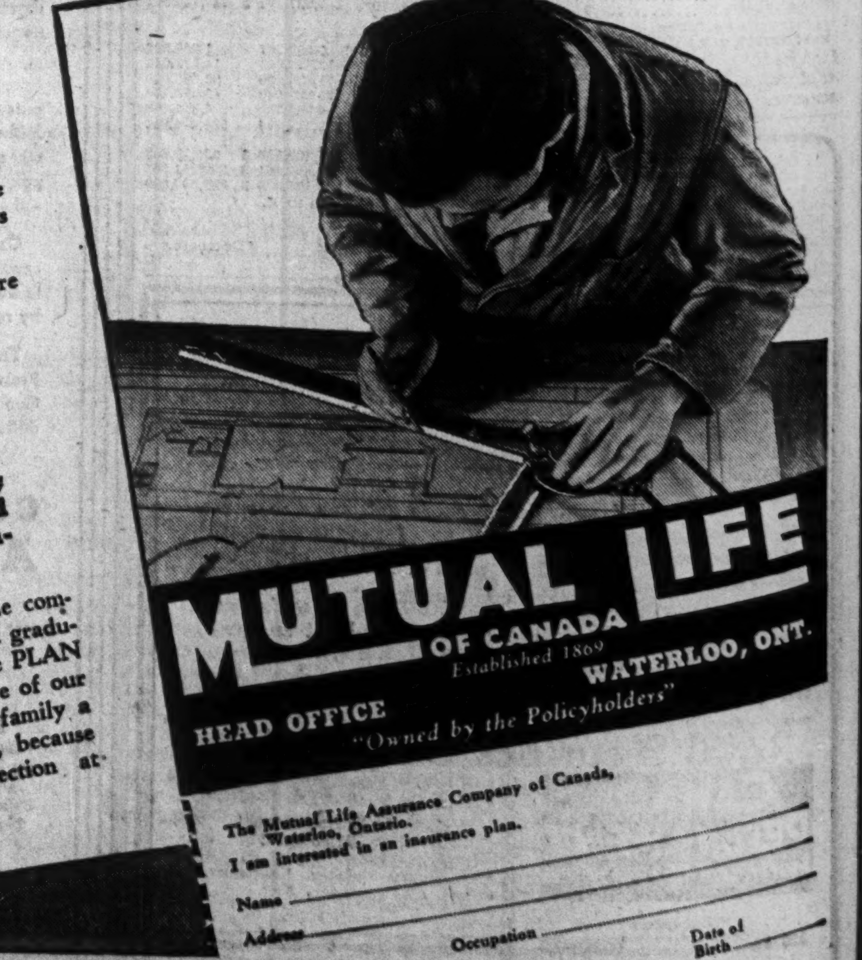
Planned life insurance is like a planned house. Instead of buying a policy haphazardly you sit down with a trained Mutual Life representative, discuss the future income needs of your family and yourself, and are given a sound, fundamental "insurance plan" which, if followed, will give you and your family future income at ALL times when it is likely to be needed most.

There will not be any gaps in protection. There will be:

Income for you—to meet emergencies; to educate your children; and to retire in ease:

Should you die, there will be income to pay outstanding debts; income with which to raise and educate the family, and permanent income for your wife.

It may not be possible to embark on the complete plan at once, but rather to build it gradually as your means permit. But it is the PLAN that is important. A discussion with one of our representatives may save you or your family a great deal of worry and actual cash, because planning gives you maximum protection at minimum cost.



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Address ____________ Occupation ____________ Date of Birth ____________

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3. Reply by telephone or telegraph.
4. Select lists of securities; express opinions; or make forecasts.

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Shawinigan

Will you please let me have a report on current operations of Shawinigan Water and Power Co. and prospects for maintenance of the present dividend?

Shawinigan Water and Power Co.'s output this year is likely to run somewhat behind last year, though the returns will be well above the average. So far as operations are concerned, the position of the company is satisfactory. Earnings are likely to be slightly less this year than was the case in 1937. For the first half of 1938 the company reported gross revenue of $6,996,196 and surplus before depreciation and income tax, dividends of $2,008,301. For the same period in 1937 gross totalled $7,397,401 and surplus $2,202,961. Present indications are that the company will have no difficulty in covering the current dividend and may even be in a position to pay another bonus, such as was done on last year's earnings. The long term prospects of this company continue promising.

Burlington Steel

What is the outlook for Burlington Steel?

Burlington Steel has an important specialty product in the manufacture of grinding balls for the mining industry. Last year Burlington Steel earned $1.45 a share on its common stock compared with 40 cents in 1936.

As some reduction in volume of business was reported for the first part of 1938, it is doubtful if profits for the full year will reach last year's near record total. Dividends of 60 cents per share annually are paid and the company's financial position is satisfactory.

Outlook for Burlington Steel is largely involved with the construction industry although its other lines provide an important diversification. It is believed that the company as one of the smaller concerns has certain advantages in the matter of costs in its specialized lines over some of the larger companies.

Hamilton By-Product

What would be the advantage in purchasing Hamilton By-Product 6% bonds, due 1956, rather than the 5% due 1955?

There are two bond issues of Hamilton By-Product Coke Ovens, $2.5 millions of 5% first mortgage 20-year sinking fund bonds, due Nov. 1, 1955, and $731,500 of 6% general mortgage sinking fund bonds, due April 1, 1956. Refinancing operations, carried on late in 1935 and 1936, improved the company's position materially. New bonds, having lower interest rates, were issued and the old bonds were redeemed on Feb. 1, 1936.

The first mortgage bonds are secured by the company's property and a floating charge on all other assets of the company, including the contract for sale of gas between the company and United Gas and Fuel Co.

The 6% general mortgage bonds are secured by a second mortgage and a floating charge on all other assets subject to the prior claim of the first mortgage.

On the basis of current quotations, $98 on the 5% bonds and $97 on the 6% bonds, the yield would be respectively, 5.17% and 6.28%.

The advantage in purchasing the 6% bonds would, of course, be the higher yield and the disadvantage, the prior claim of the first mortgage bonds. Importance of the latter point is difficult to appraise as the company does not publish separate financial statements.

Hamilton By-Products is a wholly-owned subsidiary of United Fuel Investments and has a contract with United Gas and Fuel Company of Hamilton for the sale of its entire output of gas. The contract expires March 31, 1961.

No separate earnings statements have been published by the company since those for the year ended March 31, 1935.

Aircraft Stocks

What is the reason for the decline in stocks of Canadian aircraft companies in recent weeks? In view of the assurance of orders from the British Government, one would expect them to continue to advance.

In addition to the general condition of the stock market there are a number of reasons why stocks of aircraft companies have failed to advance in recent weeks. It is true Canada is assured of orders from the British Government, but they are not likely to be on the scale mentioned in daily newspaper dispatches earlier in the year. In fact, Canadian aircraft companies are not equipped to accept orders on such a scale.

It is not yet apparent what the British orders will mean to the Canadian aircraft industry as no information is available as to the volume of orders that will be forthcoming. It appears the British Government has definite plans for development of the Canadian industry, but initial orders may be small, as it is a long term plan. On the other hand, plans will be speeded up if war develops.

As you know a central organization is being set up, financed largely by a group of aircraft companies, to manufacture bombing machines for Great Britain. Parts for these planes will be manufactured by the associated companies. However, it may be some time before this company gets into production, especially as assembly plants have to be erected. Orders for lighter planes may be placed directly with the aircraft companies.

Fanny Farmer

I am considering the purchase of Fanny Farmer stock.

Fanny Farmer Candy Shops profits decreased 1.6% for the six months ended June 30, 1938, although sales of $3.2 millions were up 4.7%. The company has recently announced that no more monthly sales and profit figures are to be issued. An extra dividend of 25 cents a share has been declared along with the regular of the same amount, payable Oct. 1. A year ago the company paid an extra of the same amount and another one of 50 cents a share on Dec. 23.

Fanny Farmer operates a chain of one price retail shops in the United States, having six manufacturing studios serving a total of 220 stores at the end of last year.

The year 1937 set a record for the company for both sales volume and profits, reflecting the opening of 25 additional stores. Recent changes in management and control of the company apparently mean that it will no longer have as close a connection as in the past with Laura Secord candy shops in Canada. The management, however, will be largely identical with that which has been responsible for the progress made by the company in the past.

There appears little reason to doubt the ability of the company to make progress although its line of business is bound to be hit by changes in business levels such as have been experienced in the past year in the United States. It is doubtful if earnings for the full year 1938 will reach the level of $2.06 a share reported for 1937, although the reduction may not be great.

Gatineau Power

What are the prospects for Gatineau Power Co. common stock?

Prospects for Gatineau Power common stock are regarded as favorable. On Sept. 15, the company paid an initial common dividend of 20 cents a share, which is at the rate of 80 cents a share annually.

In 1937 the company earned 64 cents a share on its common stock. In the current year earnings will be considerably in excess of this figure. This year the company is receiving additional revenue under its contract with the Ontario Hydro-Electric Power Commission. It will also have the benefit of a full year's savings, as a result of the amalgamation with Canadian Hydro-Electric Corp. In the first three months of the current year profits were equivalent to 22 cents a share on the common stock. Next year there will be a further increase in revenue from the Ontario Hydro contract.

Riverside Silk

Would you please give me a report on Riverside Silk Mills?

Earnings of Riverside Silk Mills have been stable over a period of years, with requirements on the $2 cumulative class A stock being comfortably covered. There are 30,000 class A and 20,000 class B shares outstanding. Control of the company is exercised through the class B stock. Nothing has been paid on class B shares since a 15-cent a share payment on March 1, 1930.

The company produces silk yarn used in the manufacture of underwear and hosiery, and broad silk, at its plant in Galt, Ont. No statements have been issued regarding business in the current year. One important factor stabilizing the company's business is the export of silk hosiery, for which Riverside supplies yarns. This section of the textile industry has fostered export trade and the suppliers of silk yarns have benefitted accordingly.

Working capital at Dec. 31, 1937, totalled $301,334.

The coming trade agreement with the United States lends uncertainty to any appraisal of textile companies' futures. What will be done in regard to tariff on yarns is not known, but any scaling down may be detrimental to the company's operations.

CAPITAL TRUST APPOINTMENTS

James J. Lyons (left) has been appointed assistant general manager of Capital Trust Corp. and E. L. Parent newly appointed general manager of the corporation. Mr. Lyons has been serving as secretary of the trust company and Mr. Parent has been assistant general manager.

A.W. Chase Sales Show Increase

Net Profit for Year Ended April 30 Down But Prospects Better

Net profit for A. W. Chase Co. for the year ended April 30, 1938, amounted to $26,793, as compared with $28,000 for the year ended April 30, 1937. Earnings on the preference shares were $2.84 and $2.88, respectively.

Canadian sales during the year were well ahead of the previous year, and in the United States sales in the past six months were maintained even with 1937, W. J. Stone, president, states in the annual report. In both countries sales are ahead in the present fiscal year, compared with the preceding year.

After payment of preference dividend amounting to $23,931 in the 1938 fiscal year, a surplus of $2,862 was shown for the year and the surplus carried forward in the balance sheet totalled $63,748.

Dividends of $2 a share with an additional 50 cents a share were paid during the year. Mr. Stone states that it is probable that the same policy of payment will be adhered to in the present fiscal year if business continues on the same level.

Income and Surplus Account
Years Ended April 30

	1938 $	1937 $
Net income	32,690	33,594
Less: Income tax	5,897	5,594
Net profit	26,793	28,000
Less: Pref. divds.	23,931	24,554
Surplus for year	2,862	3,446
Add: Prev. surplus	62,396	54,382
Adjustments	......	4,568
Less: Adjustments	1,510	......
Surplus forward	63,748	62,396

Working Capital

	1938 $	1937 $
Current assets	174,993	176,558
Current liabilities	49,639	42,297
Working capital	125,354	134,261

Dominion Stores Sales Decrease

Decline 1.75% in Four-week Period from Those of Last Year

Sales of Dominion Stores Ltd. for the four-week period ended Sept. 10, 1938, amounted to $1,374,523, as compared with $1,399,045 for the ninth and corresponding period in 1937. This is a decrease of 1.75%.

Every period in the year has shown a decline in sales over the corresponding period in the previous year, and the decrease for the whole year at the end of Sept. 10, 1938, totalled $424,932, or 3.17%.

In the four-week period in 1938, there were 8 fewer stores in operation than in 1937.

The application of Dominion Stores to delist its stock from the New York Stock Exchange was opposed by the Exchange before a hearing of the Securities Exchange Commission in Washington.

The decision of the S.E.C. will be handed down within a month or two.

Monthly Sales
(Subject to final adjustment)

Four week period ended:	1938 $	1937 $	Decr. %
Jan. 29	1,404,480	1,457,927	3.67
Feb. 26	1,459,840	1,474,989	1.03
Mar. 26	1,472,091	1,544,860	4.71
Apr. 23	1,495,190	1,547,273	3.37
May 2	1,486,876	1,515,533	1.89
June 18	1,466,405	1,503,839	2.49
July 16	1,467,436	1,500,204	2.18
Aug. 13	1,344,634	1,452,738	7.44
Sept. 10	1,374,523	1,399,044	1.75
	12,971,475	13,396,407	3.17

Note:—In the period ended Jan. 29, 1938, 11 fewer stores were operated than in the 1937 period; in the Feb. 26 period, 7 fewer; Mar. 26, 1 fewer; Apr. 23, no change; May 2, 3 fewer; June 18, 4 fewer; July 16, 6 fewer; Aug. 13, 7 fewer; Sept. 10, 8 fewer.

Forest Hill—Electors of this Toronto suburb have voted in favor of issuing $150,000 of debentures for school purposes. The council had already approved the by-law.

Wings Ltd. Has Loss for Year

Lower Rates and Lessened Activity Given as Cause—Rates Stabilized Now

Wings Ltd. and its subsidiary, Northwest Aero Marine, report a net loss of $27,278 for the year ended May 31, 1938, compared with a net profit of $55,295 in the 13 months ended May 31, 1937. The 1937 profit was equivalent to 31 cents a share on the 183,024 common shares against a net deficit per share of 14 cents in the latest period.

F. Roy Brown, president, states that the lower earnings are indicative of lessened activity in the area served by the company, particularly in the spring of this year, and the further reduction in rates buying during the year. It is hoped that stabilization of rates has now been achieved as the result of the formation of a traffic association to which all commercial operators in the mid-west territory are parties. Mr. Brown points out that rate allowed by the Government on air-mail contracts granted to "bush" operators is extremely low in comparison with rates on the Trans-Canada Air Lines. This, he feels, imposes a serious handicap on commercial aviation companies in northern areas. During 1937, Wings Ltd. lost eight of its employees to the Trans-Canada Air Lines.

During the past year the company carried 6,611 passengers, 2,725,608 pounds of freight and 31,564 pounds of mail. In March, 1938, the company was awarded contracts for carrying mail between Winnipeg and the Central Manitoba area and between Winnipeg and Red Lake.

Consol. Income and Surplus Account

	Year ended May 31 1938 $	13 Mos. ended May 31 1937 $
Gross oper. revenue	214,461	322,240
Less: Expenses*	213,547	260,722
Operating profit	913	61,518
Less: Depreciation	24,527	35,432
Overhauling equip.	6,247	......
Net oper profit	†29,861	26,086
Add: Invest. inc. & profit	2,582	35,229
Less: Income taxes	......	6,020
Net profit	†27,278	55,295
Add: Prev. surplus	57,810	2,989
Less: Adjustments	......	474
Surplus forward	30,532	57,810

*Includes executive remuneration of $18,680 in 1938; $20,400 in 1937 and solicitor's fees of $1,281 in 1938 and $2,256 in 1937.
†Loss.

Working Capital

	1938 $	1937 $
Current assets	120,158	138,984
Current liabilities	21,429	41,983
Working capital	98,729	97,001

Note:—There are in suit against the company four claims aggregating $93,868, arising out of accidents to the company's aircraft liability for which is denied and at the date of which liability insurance of $10,000 per passenger seat was carried.

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THIS POSTER WILL MAKE THOUSANDS STOP—LOOK—AND THEN LISTEN TO A ROGERS!

Poster Circulation figures are audited and their accuracy approved by the T.A.B. (Traffic Audit Bureau).

There is no guesswork in buying Poster Advertising today. You know exactly the circulation you get for the money you spend.

The average cost of a representative showing in 250 Canadian cities and towns with a daily net advertising circulation of 2,369,420, is only 13.2 cents per thousand readers.

The Rogers policy of constantly using POSTER ADVERTISING year after year to increase sales and lower selling costs has helped this Company to expand rapidly. So rapidly—that in the short space of twelve years the sales of this Company have reached five and a half million dollars in a single year.

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It reaches all the people.
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HUMIDIFIED AIR

① TO ENSURE NEW LIVING COMFORT ② TO SAFEGUARD YOUR FAMILY'S HEALTH ③ TO PROTECT YOUR FURNISHINGS

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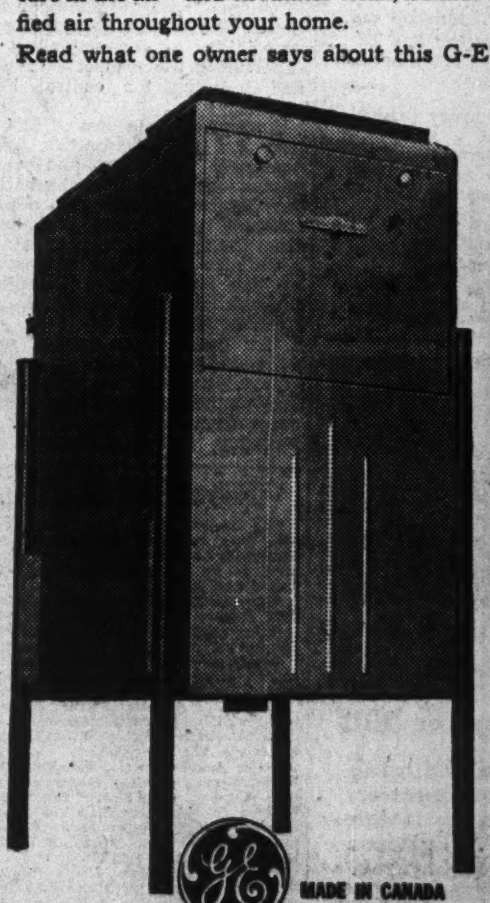

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Construction

Building Lag Persists Early Upturn Doubted

Canada's construction industry enters the final quarter of the year with volume of operations nearly 20% below the level of this time last year. There is no assurance that this decline can be more than partly narrowed before year's end by the general stimulus to business and industry from lifting of the European war fear.

Pace of building activity has been lagging throughout the year, and even the quickening of operations during the summer failed to do more than shave the extent of the drop behind 1937 operations. While the industry should respond somewhat along with other lines of business to the relief over the European settlement, the record of the past few months has shown that building as a whole has trailed behind the recovery movement of business generally.

There are presently in prospect no major developments sufficiently strong to expand the volume of building to last year's scope, which was only 40% of normal in spite of a healthy increase over 1936. The decline in this year's total to date has been contributed chiefly by sharp curtailment of industrial building, and marked restriction in outlays for road building and other engineering projects. The season is pretty well past for initiating new projects in these classes, even if a recovery trend should moderate the factors which held back such types of building earlier in the year.

Figures Show Decline

The MacLean Building Reports bulletin for September shows a total of contracts awarded that is 10% below that for the same month last year, and leaves the cumulative total for this year to date 19.5% below that for the first nine months of 1937. The drop in the September figure was entirely accounted for by a decrease of $6.6 millions or 88% in industrial building in relation to Sept., 1937. Together with a 4% decline in residential contracts, this pulled the grand total down despite increase of 87% in business building and 16% in engineering construction.

The upturn in business building came chiefly from increases over September of last year in contract totals for public buildings, schools and stores. A large contributor to the figure for stores was the contract for the new Eaton department store building in Edmonton. The rise in engineering contracts was accounted for almost entirely by a jump in awards for roads and streets, particularly in Quebec, where the volume in this field expanded from $920,000 to over $2.3 millions.

Construction Contracts Awarded in Canada

	—Sept. 1938—		—Sept. 1937—		—Aug. 1938—	
	No.	Amt. in $	No.	Amt. in $	No.	Amt. in $
Apartments	11	207,000	25	232,400	17	339,700
Residences	1,663	4,438,200	1,644	4,570,000	1,753	4,928,600
Total residential	**1,674**	**4,645,200**	**1,669**	**4,802,409**	**1,770**	**5,268,300**
Churches	41	772,000	17	99,600	40	405,300
Public garages	78	474,200	70	495,400	63	169,200
Hospitals	6	820,000	11	342,600	19	745,200
Hotels, clubs	22	185,300	23	175,000	32	136,200
Office buildings	51	717,800	45	339,700	39	503,300
Public buildings	59	1,290,100	50	815,100	66	3,082,500
Schools	53	1,187,800	41	308,500	121	2,099,000
Stores	140	1,632,100	151	671,300	183	619,100
Theatres	7	108,100	12	186,700	12	170,000
Warehouses	58	373,600	46	596,900	58	1,072,500
Total business	**515**	**7,560,900**	**466**	**4,030,800**	**633**	**9,002,300**
Total industrial	**81**	**911,600**	**93**	**7,543,300**	**70**	**995,200**
Bridges	31	302,300	19	369,800	34	527,100
Dams, wharves	35	935,100	17	915,000	20	616,500
Sewers, watermains	7	141,500	14	467,800	24	465,700
Roads, streets	78	3,123,800	63	1,228,600	82	3,440,400
Genl. engineering	62	1,914,500	35	2,447,300	67	1,797,900
Total engineering	**213**	**6,417,200**	**148**	**5,428,500**	**227**	**6,847,600**
GRAND TOTAL	**2,483**	**19,534,900**	**2,376**	**21,715,000**	**2,700**	**22,113,400**

Contracts Awarded, First Nine Months

	No.	Amt. in $		No.	Amt. in $
1938	20,826	143,461,700	1936	15,869	127,671,600
1937	20,844	178,406,900	1935	15,093	132,724,200

Construction World

Urban U. S. Building

Volume of construction in United States cities continues to show signs of recovery toward last year's levels, and if the comeback is maintained may end the year with a slight increase. The monthly report issued by Dun & Bradstreet on building permit totals for 215 American cities shows an increase in August of 15% over the same month in 1937. After eliminating the exceptional total of permits issued in New York City, where housing, World's Fair and other special activity produced an August level double that in August of last year, the permits issued in the country as a whole showed a decline of only 1.3%.

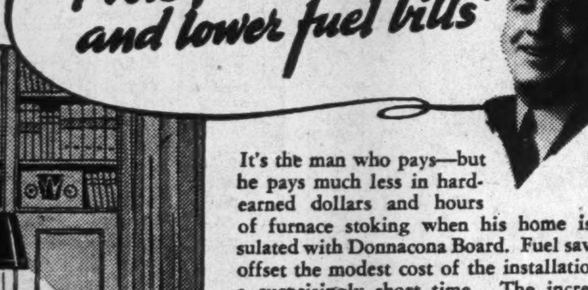
The total for the first eight months stands at $769 millions, fractionally above the same period last year. With New York excluded, a decrease of the year in all the cities covered of 17.6% is shown.

Huge permits issued in New York City for the big F.H.A housing project, a number of smaller tenement developments, and World's Fair Construction, lifted the U. S. building permit total for July 54% above the level of July, 1937. In New York alone building valued at $73 millions was initiated, triple the total for the same month last year. Outside of New York, the July total showed a drop of nearly 10%. According to Dun & Bradstreets's report on 215 cities, permits for the first seven months for the U. S. as a whole were only 1.4% below the same period of 1937, though elimination of New York left the total 20% down.

* * *

Colors Reduce Risks

Special colors are now playing a large part in reducing accidents, easing eye strain and pleasing customers, reports Canadian Paint and Varnish Magazine. In Great Britain hazards of night driving have been substantially reduced by mixing a dull orange or marigold coloring in surfacing of concrete roads. This practice, it is stated, has reduced sun and head-light glare by fully 40%. In recent years many of the former glaring white markings along roads both in this country and elsewhere have been replaced by either silver or orange tones.



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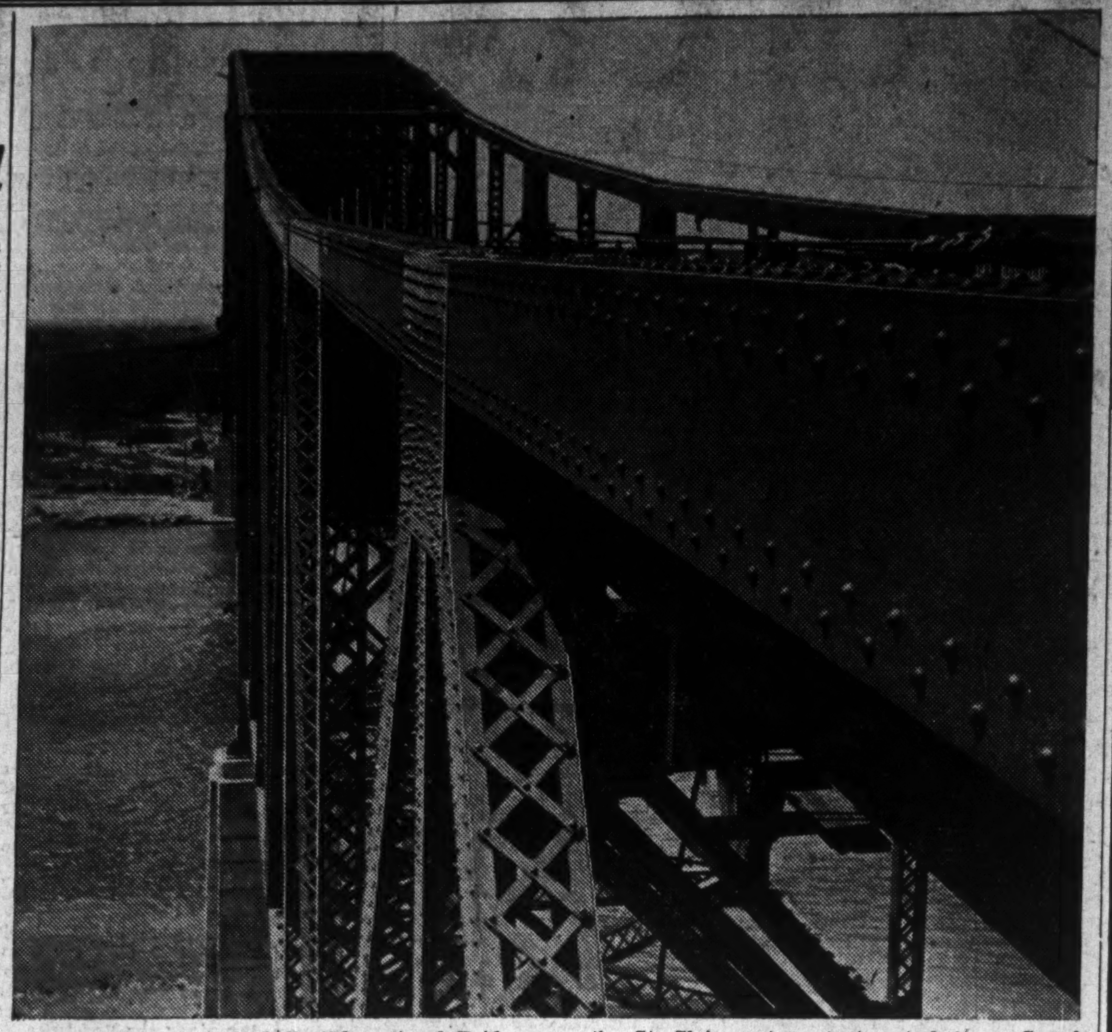

Formally opened and dedicated this week, the Blue Water International Bridge over the St. Clair River at Sarnia will carry traffic on an important route between Canada and the United States.

Design for Crossing

Blue Water International Bridge Adapts Standard Pattern to Special Conditions

Delayed opening this week of the Blue Water International Bridge across the St. Clair River, between Sarnia, Ont., and Port Huron, Mich., marks successful completion of a four-million-dollar project in which standard engineering design was skilfully adapted to meet special considerations.

For the Blue Water span the cantilever type of bridge construction was selected after canvass of the potentialities of this and other methods, such as suspension and steel arch designs. And when the cantilever basis was chosen for the plans, it was distinctively modified to meet the widely differing demands of such factors as appearance, economy and typography at the site.

Rejection of the suspension type was one of the first steps taken by the designers and supervising engineers, the firms of Modjeski & Masters of Chicago in association with Monsarrat & Pratley, of Montreal. It was found that the suspension design was not adaptable to conditions at Sarnia from a viewpoint of either gracefulness or economy.

Centre Span Arched

The cantilever basis finally adopted was changed from the standard form to gain some of the advantages and the attractive appearance of the arch style of bridge. Bluntness of a straight cantilever design was eliminated by arching the suspended centre span, which accounts for 435 feet of the 871 feet of the main overwater section of the bridge. Over-all length of the bridge including approaches is 6,400 feet, with the central portion of the bridge proper extending 1,523 feet.

The arched effect was gained partly by adapting the suspended centre span, partly by curving the two cantilever arms upward from the piers instead of placement in the usual manner. The bulky anchor piers in the original plans were replaced by towers to produce a more pleasing appearance.

An interesting use of construction materials has been devised on the Canadian side of the bridge. On the plaza and approaches to the bridge, markings of traffic lanes and direction pointers have not been painted on the pavement in the usual way. Instead, white concrete strips have been set into the roadway, using white cement which has only been made in Canada for the past two or three months.

Joint Undertaking

Erection of the bridge, as a result of long agitation for a fixed traffic artery between the United States and Canada across the St. Clair river, was a joint undertaking of the governments of the United States, Canada, State of Michigan, and Province of Ontario, with the Michigan State Bridge Commission assuming responsibility of co-ordinating and supervising the project as a whole and building the central bridge section.

An approximate cost of $1.6 million for the approaches, plazas, necessary buildings and related works, was divided equally between the Ontario and Michigan administrations, with some contribution from the national governments. The remainder of the cost was assumed by the State Bridge Commission through flotation of bond issues totalling $2,350,000.

The cost of the bridge proper amounted to $2.7 millions, including outlay for approaches, plazas, buildings, foundations and piers, and the superstructure of the bridge. Preliminary and contributory costs amounted to $1.3 million, including $650,000 for acquisition of the company operating the Sarnia-Port Huron ferries, rights-of-way ($120,000), bond interest and expenses of bond sale, and franchises, etc.

As with the other bridges built in recent years along the Canadian-U.S. border in the Great Lakes region, the Blue Water Bridge is a toll bridge which is ultimately to become a free public traffic facility.

The 4¼% bonds issued to finance the bridge, floated in June, 1936, and June of this year, mature in 1956, but it is hoped to retire them before then and wipe out toll charges. The bonds are covered by a provision by which all revenue and expenditure is channelled through a trustee. Sale of the bonds was handled through a Toledo firm and was entirely absorbed, as far as is known, by American investors.

Income from continued operation of the ferries, during construction of the bridge, has helped to meet interest charges on the bonds to date. Supervision of the trustee is expected to ensure that bond obligations will be met as rapidly as possible so that control of the bridge can pass to Michigan and Ontario.

New Building

The de Havilland Aircraft of Canada Ltd. has awarded contract to A. W. Robertson Ltd. for extension and improvement of its plant near Toronto, at estimated cost of $80,000.

Aldermac Copper Corp. will call for tenders shortly for construction of $400,000 refining plant near Rouyn, Que., for production of sulphur from iron pyrites.

Dominion Dept. of Public Works is to call for tenders soon for erection of $75,000 post office at Thetford Mines, Que.

Diocese of Athabasca (Church of England) will begin construction next spring of a $25,000 hospital at Fort Norman in the North West Territories.

Waite Amulet Mines, Normetal Mining Corp., Quebec Manitou Mines, and Aldermac Copper Corp., are considering a scheme for joint construction next year of zinc refinery in the northwest part of Quebec. Total cost including equipment is estimated at $1 million.

Marcus Loew Inc., New York, has awarded contract for alterations and improvement of theatre at London, Ont., at cost of between $40,000 and $80,000.

Stanstead College, Stanstead, Que., is getting bids on construction of new main building addition to Pierce Hall, and other improvements. Programme is necessitated by fire at the college some months ago and will cost in the neighborhood of $280,000.

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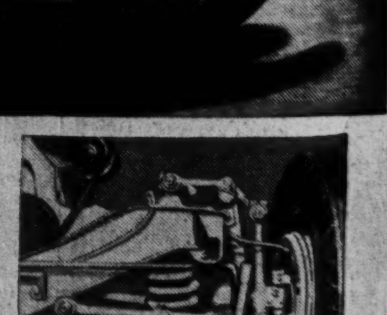

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Germany—a Nation Mobilized for Work

Billion Dollars Once Spent on Dole Now Used for Works—and Armaments

By FLOYD S. CHALMERS
Editor, The Financial Post

BERLIN.—Germany today impresses the visitor as a nation at work. The dignity of honest toil has become an obsession with the people. Germany is a nation mobilized for work as a nation is mobilized for war.

One sees many things in Germany that are disturbing. There are too many uniforms; too many marching men; too many preparations for war. There is a lack of reliable news. Even the visitor is subject to many petty restraints upon his freedom. But every observer on the spot is impressed with the seeming efficiency of this economic Leviathan state where everyone works—and wants to work; where public buildings, cities, highways, railways are being rebuilt with labor that flows under the bridge of unemployment in other lands.

F. S. CHALMERS

There is, practically speaking, no unemployment in Germany. This is no mere propagandist boast. It is the truth. Only a minimum of public funds needs to be spent in the form of "relief." In fact Germany has available for productive work or rearmament nearly a billion dollars a year that it formerly spent on relief.

The facile explanation that we in Canada often hear for the lack of unemployment in Germany is that the building up of a huge army, the recruiting of young men for the "conscript" Labor Service and the marrying off of women workers have either ended or concealed unemployment. The explanation does not cover more than a small part of the improvement in the unemployment situation.

How Germany Went to Work

In the army, in the Labor Service and in salaried jobs in the Nazi Party there are perhaps a million and a half people who were taken off the labor market by military or semi-military means.

There have been, it is estimated, half a million more marriages since Hitler came to power than there would have been if there had been no generous interest free loans to young couples. But over 10 million German women are still employed in trades, crafts and professions.

Putting men into uniforms and women into kitchens may account for 2 millions of the reduction in unemployment in Germany.

That leaves over 3 millions for whom genuine employment has been found. Today there are 5,500,000 more people employed in Germany than there were when Hitler came to power. They are working an average of more than one additional hour per day.

"How have you done it?" you ask members of the Government or businessmen.

The answer is usually something like this: "In other countries the State prefers to pay people to be idle and so the people in turn prefer to be idle. In Germany we feel that the nation will be stronger; that the people will be physically and morally healthier if they are kept at work. So we have found work for them to do and set them to do it. In doing so we are creating new wealth and rebuilding Germany into a land of enduring beauty and great strength."

It sounds simple—and it is if you can do it the way Germany has done it. It can be done only by setting up a dictator state and vesting in one man, as the symbol of the State, complete and unrestricted power over every detail of the lives of everyone.

Germany has done it by mobilizing all her man-power and woman-power, and all the material and financial resources of the State, with a thoroughness and rigidity that democratic states would reserve for times of war.

In Germany, the State assumes the obligation of providing everyone with an opportunity to work. In turn it demands of the individual that he shall earn his living and at the particular job that the State wants him to perform.

The idea that the State owes anyone a living is abhorrent to Nazi philosophy.

At the expense of repeating much that is already familiar I should like to set down two basic considerations that dominate Nazi policy in the economic and social as well as in the political sphere.

The first tenet of Nazidom is that what counts is the collective solidarity or strength of the nation. The individual is important only as he contributes to that.

The only obligation the State has to the individual is to give him a chance to work for the State.

Self-Sufficiency

The second main objective of Germany's Nazi rulers is to make the country independent of foreign supplies of food and other raw materials. The will-of-the-wisp of self-sufficiency is chased with all the fervor of an Englishwoman after a fox. It is not just the suffering of 1914-18 but the record of the centuries that is today called up to prove the necessity of economic independence.

One Lesson From Germany

Germany has achieved for her people full employment by methods which are not all capable of adoption by the democratic state. But one thing at least we can learn from Germany, that it is possible to turn idle, state-supported reliefees into producers of wealth and to do it in a way that gives those workers health and happiness and joy in their work. If we cannot learn to do that under the freedom of democracy, we're in for some sorry decades.

Let us go back to 1933. I was not in Germany in that year. But if you ask any German businessman about conditions in pre-Hitler Germany you will get a longer tale of woe and distress than you bargained for. The country was on the very edge of economic collapse (as for that matter Canada too may have been near the end of 1932). Communism was gaining although it is not certain that the danger of Bolshevism sweeping over Germany was ever as acute as German Nazi and business leaders now assert it to have been.

Unemployment had grown from 1,900,000 in 1929 to 5,800,000 in 1933. Total production had dropped by nearly 40%.

Germany was suffering the common economic trouble of all the nations but it had reasons to feel disillusioned and defeated. It had been humbled in pride by the Versailles treaty. Its middle class had been wiped out by inflation. Its statesmen were being treated as beggars and criminals by the statesmen of other countries; Germany was disillusioned, hungry, disunited and ready for a new leader.

Individual Freedom Gone

The leader happened to be Hitler. If it had been some other man than Hitler, Germany might have gone the way of Russia. Had it been still another type of man, Germany might have found a new soul under Democracy. But it was to crafty Adolph Hitler and his truculent National Socialists that the doddering Hindenburg handed the sceptre of power. Hitler has used it to destroy almost every vestige of democracy and individual freedom in Germany; to kindle new fires of racial and State pride; to create a new economic system. He has used it to clean the slate of all obligations, financial, political or moral, to the rest of the world. He has made Germans proud to be Germans. Above all he has put everyone in Germany to work and achieved material prosperity for the nation as a whole by methods as unorthodox and untried as any leader ever resorted to.

There is much in this new Nazi Germany that horrifies freedom-loving people and much more that terrifies them. But it would be a sad mistake if we were to let our justified anger and sorrow at the international politics of Nazidom obscure for use the picture of Hitler's remarkable internal accomplishments.

Under Hitler the number of people actually employed in productive occupations—not including the army, the Nazi organizations, etc.—has reached the total of over 20 millions. Germans like to point to the fact that since 1933 world unemployment has decreased by 7 million persons of which the Germans alone account for over 5 millions.

In Germany today there are about 350,000 unemployed persons, of whom the State admits about 40,000 to be employable.

Serious Labor Shortage

There is a serious shortage of labor. A Nazi official told me that there were 30,000 Italians in Germany working on the rebuilding of Berlin and other cities. The State has also imported workers from Jugo-Slavia, Poland and Hungary. The newspapers do not seem to have published any of these figures.

The shortage is particularly acute in respect to technicians, engineers and skilled mechanics.

Production, which was in 1933 down 38% from the 1929 level, is now 23% above the 1929 level.

Germany has taken the place which Canada occupied in the years prior to 1929 in leading the world in enlarged output.

The "boom" continues in Germany. The sharp decline in securities in the Berlin bourse may have given a warning of economic shoals ahead but at least they are not now in sight. Good Germans, parroting their leaders, blamed the stock market decline on the Jews. Perhaps the decline gave advance hints that the tremendous pace of business improvement cannot be maintained indefinitely. The strain on the nation's resources and more particularly the strain upon the people are very great. To a discussion of that point we shall come later. But at the moment productive operations are going on in Germany at a faster pace than in any other country and if depression is on the way it is yet far from being just around the corner.

Germany has achieved her remarkable prosperity and her "full employment" by fulfilling the dream that every businessman must have in those moments when he forgets the practical difficulties of life and indulges in a little rational day-dreaming.

Dream of Businessman

Breathes there a businessman in Canada who never to himself has said—"Boy, if I were dictator of this country for one week I'd find jobs for all these unemployed. I'd tear down our slums and build homes. I'd modernize the railways. I'd build a city hall and new Masonic temples. I'd make people go to work and I'd make them take the wages I fixed. Moreover, I'd make 'em like it."

And so on and so on.

Well, that is exactly what Hitler has done. He happens to be a dictator with clever people around him and he has done just what the Canadian businessman would like to do but will never have the chance if doing.

Germany is a corporate state. It has a planned economy. It is a regimented nation. Call it what you like. Hitler calls it Socialism but that is because he wants it to be popular with the people. It does not resemble any variety of Socialism outlined in the text-books. The only essential difference between it and Russian Communism is in the protection of private traders and industrialists. But they have become mere tools of the regime and there is no guarantee that they will not some day be wiped out. Hitler is nearer to the Bolshevism he hates than he would ever dare to admit.

Convenient Philosophy

The Nazi motives in designing such a state have been mixed. They quote you by the yard philosophical discussions on the glory of work and the horror of waste. But the Germans are very good at hunting up philosophies to prove that what they have decided to do is right. One never knows how much the policy grows out of the philosophy, or the philosophy is trumped up to justify the policy.

One objective is all important: to make Germany strong enough to achieve the Nazi equivalent of the Hohenzollern place in the sun; to make the nation indisputably strong enough to meet any war emergency; to give the people pride of race and nation

In 1932 Germany imported about 23% of all her supplies. In 1937 she imported 16% and she is scarcely half way through her plan to make Germany independent of other nations in key raw materials. And of the 16% of supplies imported the lange, growing proportion came from those nations with whom Germany is today closely allied and those other nations which are being sucked into the whirlpool of German economic domination.

I shall not repeat at this time Germany's well-known accomplishments—somewhat expensively achieved in the production of synthetic wools and other textiles, imitation rubber, gasoline from coal, iron from low-grade ores, etc. These things are part of the new regimented economy of Germany but they are more a part of the military than of the economic Germany. Their net contribution to domestic employment must have been less than freer international trading would have provided. They offer no lesson that the liberal, democratic world is likely to see fit to adopt.

For Generations to Come

Rather for Canada the development that cannot be ignored is the system of economic control that has permitted the nation to turn the idle labor of men and women on the dole into goods to be consumed and public works to be enjoyed by generations to come. The phrase "generations to come" is no exaggeration. The Olympic sports field in Berlin is well known to all the world through the movies and the press. It has been built to last for hundreds of years. The newer public buildings are built for equal endurance.

In the new air ministry building on the Wilhelmstrasse—a building larger and more solid than anything I have ever seen outside of the rebuilt Triangle in Washington—the Nazi emblems have been carved six inches deep. The new East-West axis that has been slashed through the centre of Berlin must be decades ahead of full traffic requirements. It is as though the famous middle road between Toronto and Hamilton had been laid down from the waterfront of Toronto to the city limits.

When one looks behind the vast array of regimented bureaucrats who comprise the machine by which Germany performs its economic miracles one sees three principal fields of state control.

First are costs—that is to say, the wages that workers receive, the prices the people pay for their daily needs and the profits that merchants and manufacturers are allowed to earn.

Second, investment; that is to say the savings of the nation and the uses to which the money is allowed to be put.

Third, International trade.

In the latter field, there remains to be told one of the most amazing stories of economic history, the story of how a nation that owns practically no gold, that is able to find only the minimum supplies of foreign exchange, has been able to increase its international trade at a prodigious rate; and to use its foreign trade for political purposes, giving itself an international status that seems almost to fulfill the dreams of the pre-war prophets of German economic aggrandisement. It is a story that will not be touched upon further in this article, but which I hope to deal with at length in another article.

German Worker Submits

I have mentioned wages. No democratic country could exercise the control over the worker that Germany now exercises. The German worker submits willingly. The German worker has always been willing to be led by the nose.

Up to now there has been little actual conscription of labor. The worker has taken the job he wanted or the job that was to hand. But last summer, Goering promulgated a decree giving him power to tell any man, woman or child exactly where he must go, and what he must do.

Obedient as he is, the German worker dislikes this new decree and fears that at any moment he may be uprooted from his home and family and sent to a distant district to do work he dislikes. In fact, in the present feverish race to complete the frontier fortifications in the West, thousands of workers have been summarily shifted from their homes to dig trenches, mix concrete, lay roads and double-track railways. But there has been no general labor conscription as yet.

Not only does the State have complete and unrestricted control of the work each person may—or rather must do—but it controls wages. An effort has been made, with a high degree of success, to fix wage rates rigidly. In any other country such an enormous increase in employment, and such an actual shortage of labor would have been accompanied by rising wage levels. Not in Germany. Wages have remained but little changed. As the cost of living has increased real wages are below the 1929 level which is in contrast to the situation in Canada where real wages of those employed have gone up.

Cost of Living

The necessary corollary of the control of wages is control of the cost of living. The index figures have gone up between 1933 and today from around 76 to around 83, a not very material increase.

But the figures do not present a true picture. In the first place, the chief elements in the index number are the articles that have been subject to most rigid control. Other articles have increased more in price. (The tourist by the way seems to get none of the benefit of the control of prices. When he goes into the good shops of Berlin, Munich and Dresden to buy the things he has always expected to buy most cheaply in Germany he finds that even his travel-marks (bought at 40% discount) will not enable him to buy things materially cheaper than he can buy goods of similar quality in the big department stores of Canada.)

And a very real price rise has been concealed in another way. Nearly everything the worker buys is of poorer quality than formerly but the prices are the same.

A good informant estimated for me that the real rise in the cost of living since 1933 is about 25%.

The worker works long hours. The average work day is at least one hour longer. On public works and defense jobs — which the party chiefs and the army chiefs are rushing as much for their own pride as because of national necessity—overtime is the rule.

The working population is under an undeniable strain. But the people have many compensations. First, it is better to have a job that is secure than to have no prospect of a job at all, even if the job you have calls for hard work. Second, the worker gets social benefits that have been greatly increased on a contributor basis.

Social Insurance

The "deputy minister" of the labor ministry said to me—"Under Bismarck, Germany led the world in social insurance. Under Hitler we have gone twice as far and again we are ahead of the world in looking after the people of the nation in sickness, old age and other hazards and certainties of life."

It indicates how much importance Hitler attaches to social insurance that he has put the labor ministry under Franz Seldte, one of his original Munich Nazis.

Third, the worker gets holidays with full pay and the State makes it possible for him to travel at unbelievably low cost. Good Nazis are even able to get trips to countries outside of Germany. The workers visit countries that the wealthy cannot visit unless they have relatives abroad who will meet them at the border station and pay all their expenses—outside of the 10 marks that Dr. Schacht permits them to take out of the country.

The holidays with pay may be something of a delusion. At the hotel in Nuremberg where my wife and I stopped the "Ausländerdienst," or foreign visitors' service bureau, was manned by good Nazis who gave up their "holiday-with-pay" to work for the "Party." One brilliant young woman toiled from early morning to midnight every day to help us see the most of the congress. She managed to escape for one half a day. She spent two hours in a bus to get to the particular Congress session at which Hitler had promised to speak to the women (incidentally he did not speak) and when she got to the Congress Hall she found all the places taken up.

Loyalty Renewed

On the whole, the worker is as happy as workers anywhere could expect to be under a system of 100% regimentation. There is some evidence of nervous strain. But loyalty for the system is constantly being renewed by parades and demonstrations and propaganda over the air and in dictated newspaper articles. Above all, the joy and nobility of work is preached every minute of every day, impressively and sincerely.

The younger people are being assiduously trained to know how to work and to like to work. The Labor Service gives every youth six months of healthy useful training. The most inspiring sight at Nuremberg was the parade of the Labor units who proudly and joyously marched, spades on shoulders, and stripped to their waists, before their almost deified Fuehrer.

The women, too, are being trained for work. They go through intensive training for domestic life and the crafts and the woman who does not want to marry finds ample scope to serve the nation. Nevertheless the story of the organization of Germany's 11 million women in trades and professions was rather spoiled for the visitor in a somewhat amusing manner when a speaker at Nuremberg called upon the women of the nation to put forth their best efforts to look after the wives and children of those in concentration camps!

So much for the control of costs, of wages, of prices.

The second powerful instrument of national economic planning is the control of investment.

There is, for all practical purposes, no such thing as a new issue of industrial securities in Germany. The State has commandeered the savings of the people. The money market is reserved for its own loans. Rarely a private issue of securities is permitted if it fits into the scheme of national defence or control of employment.

No industrial firm or rental shop is permitted to expand its capacity without special permission. No new firm may be organized to go into any line of business without similar permission.

The purposes of this are twofold. First there can be no control of prices unless there is absolute control of production. Secondly, it has been, up to now, desired to reserve the money market for government borrowing.

The German chiefs argue that one of the causes of unemployment is that under a free economy too many people go into the production of the same thing at the same time. There is excess production and a false boom, followed by collapse and general distress among workers.

Ration Raw Materials

So the all-wise bureaucrats in the huge offices in Berlin tell the manufacturer how much he may make of any particular goods. They control the output of existing factories chiefly by the rationing of raw material supplies.

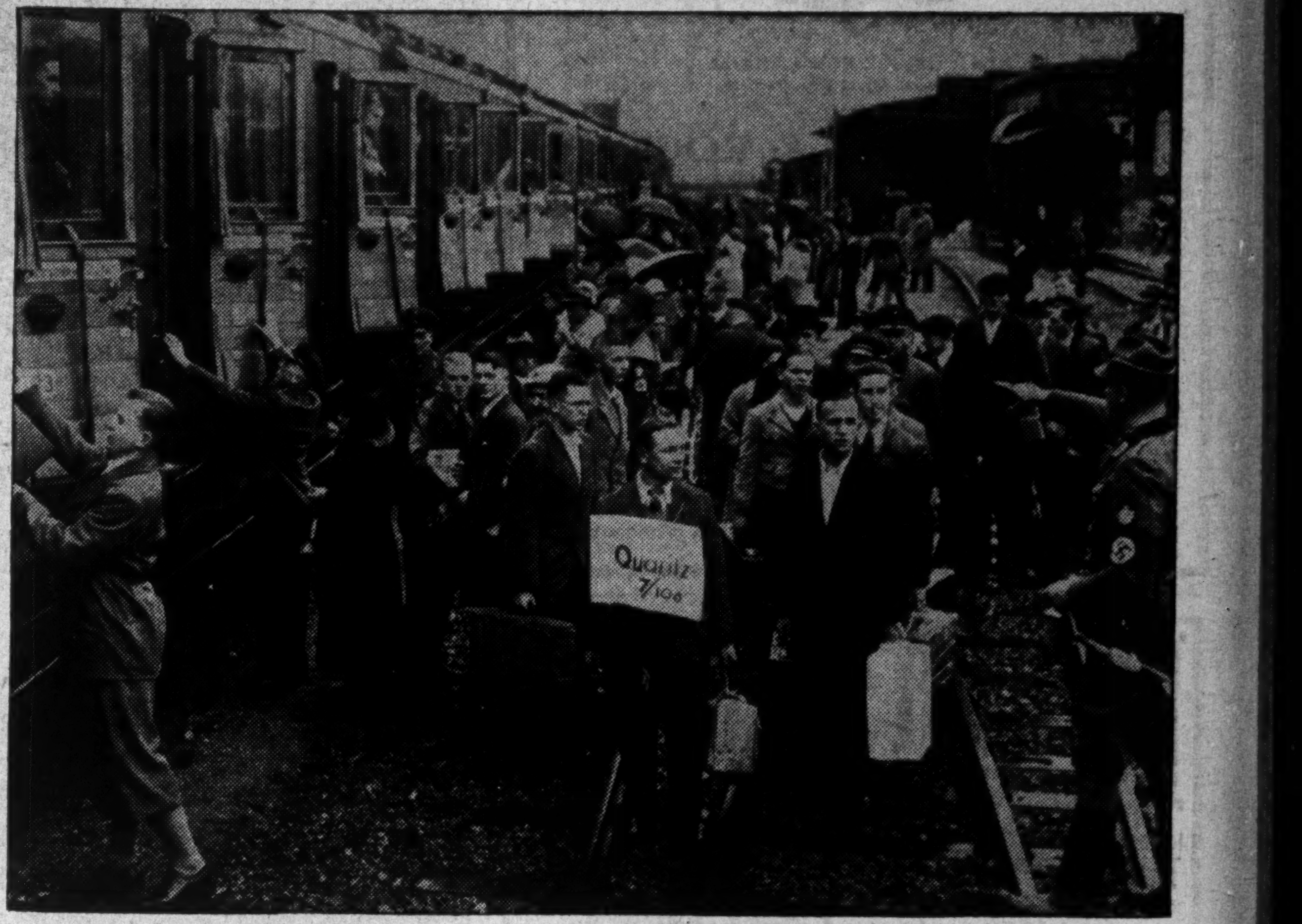
The profits of the industrialists are likewise controlled. A certain measure of control arises naturally out of the control of production and prices. But apart from that profits are limited—in general to 6% on capital. What happens to the balance is not very clear. In general any sum over the permitted profit accrues to the benefit of the State through a system of forced loans for three years. However, the possibility of firms generally earning substantially over the fixed maximum seems somewhat remote. Corporation tax has recently been increased to 40%.

Curiously enough the German businessman does not grouse much under this system. The final effect of the system is that while his profits are limited they are nevertheless virtually guaranteed. Moreover he is freed of the menace of strikes and wage troubles. Finally he can never forget what may be or may not be true—that Hitler saved him from the rape of a Communist regime.

Two important questions will at once arise in the mind of the Canadian business man. The first is: how has Germany financed the effort? The second is: how long can such an unprecedented system of high tension employment be continued? Must it ultimately collapse, leaving Germany the possible prey of the military dictatorship or the Bolshevik revolution that are the alternatives to continuance of the Nazi regime?

The first question is difficult to answer because of a paucity of information; the second because of a paucity of precedent.

But I shall attempt to deal with them in the next article.



Recruits for labor corps—Every German must serve six months.

It's smart to use substitutes in Germany—handbags made of wood fibre.

Guards on duty outside Goering's hotel.

Italian Fascists on "fraternal" mission to Germany.

—Photos by F.S.C.

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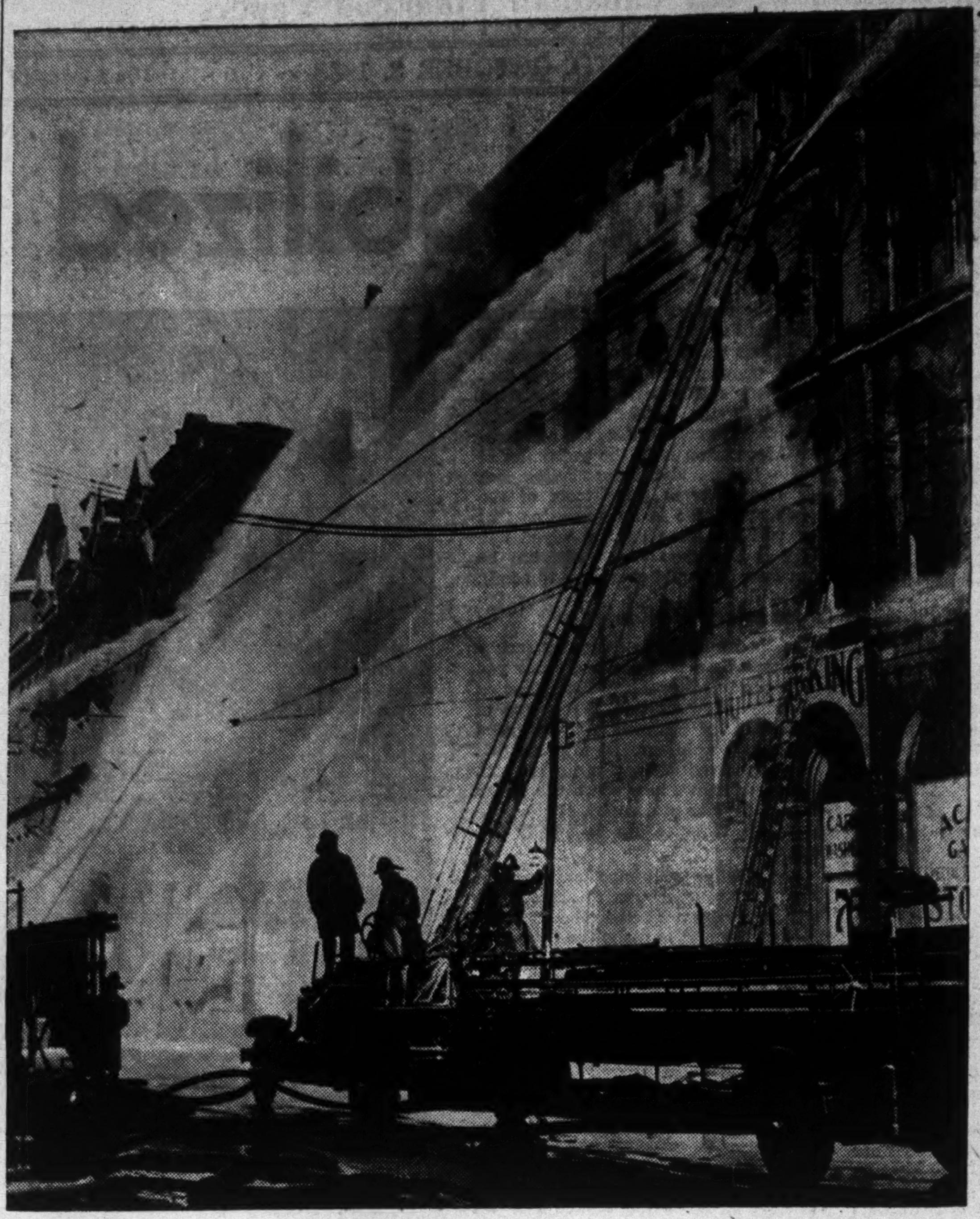
Fire Prevention Week—Oct. 9 to 15



EMPLOYER AND EMPLOYEE BOTH SUFFER

Every year hundreds of firms have to discontinue business owing to a fire. The invisible loss may in the long run be greater than the visible. Even in a short time customers may be lost and much inconvenience caused. Delay is often experienced in the finding of other quarters and in obtaining new equipment. Rent too is lost to the owner of the building. Fire prevention means protection of lives, property and jobs.

Canada's fire loss, while much lower in recent years than it was formerly is still too high.

In 1937 it amounted to $22.7 millions, too large a sum to be burned up for no good purpose and accompanied by the loss of 246 lives.

We have still a long way to go before reducing the fire loss to the possible minimum.

Fire prevention week, October 9 to 15, draws attention to the need of greater efforts to protect life and property.

It should, however, be only the starting point of a full year's campaign.

Fire Losses in Canada

While there was a small increase in Canada's fire loss in 1937 at $22.7 millions, compared with $21.5 millions in 1936, the showing is nevertheless gratifying. The amount is well below that of 1935 and all previous years back as far as the records of the Dominion Fire Prevention Association extend.

Per capita loss for the Dominion was $2.04, compared with $1.95 in 1936 and $2.12 in 1935. It is substantially lower than the figure of $4.85 established in 1929, the largest in the past 10 years.

One feature of the situation in 1937 that is not quite so satisfactory is an increase in the number of fires from 42,644 in 1936 to 44,660. The increase was due to a larger number of dwelling fires. These were 34,227 against 31,801 in 1936. This is pointed to as evidence of the desirability of impressing on householders the need of continuing the campaign for fire prevention.

Provincial Fire Losses

	Total 1937	Total 1936	Total 1935	Per Capita 1937	Per Capita 1936	Per Capita 1935
	$	$	$	$	$	$
Alberta	1,503,399	1,098,889	1,087,614	1.93	1.43	1.39
British Columbia	2,144,078	1,689,718	1,941,702	2.85	2.25	2.64
Manitoba	893,250	846,283	1,040,135	1.24	1.19	1.40
New Brunswick	865,791	885,644	1,058,704	1.96	2.04	2.46
Nova Scotia	1,409,249	1,246,767	1,155,759	2.60	2.32	2.19
Ontario	8,134,999	7,867,483	8,164,350	2.19	2.13	2.27
Prince Edward Island	222,483	164,141	167,303	2.39	1.78	1.88
Quebec	6,499,420	6,645,210	7,404,965	2.07	2.15	2.41
Saskatchewan	1,055,846	1,080,925	1,188,694	1.12	1.16	1.22
Floater	17,543	24,424	12,295	...	...	...
Total	22,746,058	21,549,484	23,221,521	2.04	1.95	2.12

House Fires too Numerous

A sharp increase in the number of fires in dwellings in Canada last year has given an impetus to the campaign for regular inspection of this type of building.

It was pointed out by G. D. Finlayson in his annual report as secretary of the Dominion Fire Prevention Association that every dwelling fire in congested districts is a potential conflagration and, in an isolated location, a potential loss of home and possibly lives.

Inspection of all classes of buildings is coming to be recognized by fire prevention authorities as a valuable method of reducing the number of fires.

At present in some localities there is a thorough system of inspection, but the practice varies considerably in different provinces and in different municipalities.

Resolutions Passed

At the annual meeting of the Dominion Fire Prevention Association in Ottawa resolutions were passed urging that special emphasis be put on this branch of the association's activities. Both dwellings and public institutions were named as suitable objects of attention during fire prevention week.

It is pointed out by authorities, however, that while Fire Prevention Week draws attention to the need of bending every effort to reduce fire hazards, inspections, like other methods of fire prevention, should be carried on all the year round.

Already considerable work is being done along this line.

Cities such as Windsor, Ottawa, Guelph, Toronto, Hull, and others, have been carrying out inspection of all classes of buildings for some time with good results. But there are places where there is nothing being done or it is not being done efficiently.

Personal Contact Valuable

Inspections are usually made by members of the fire departments and the personal contact gained is regarded as of immense importance.

The house-to-house visitation gives the fire inspector a chance to meet the individual and establish friendly relations that will prove of mutual benefit.

Advice is given as to the proper disposal of rubbish and suggestions are often made on matters of construction where changes can be effected without too great expense. Every accumulation of rubbish, defective chimney or furnace is treated seriously and inspectors in some cases have made as many as 10 calls to remove what might be a very serious hazard.

Where householders object to the inspection of premises, support for the fire inspector is met with in some provinces at least from the Fire Marshal's Department under legislation already on the statute books.

In the city of Windsor, where systematic inspection of all buildings has been carried on by the fire department for some years, about 25,000 inspections are made annually, according to Fire Chief C. J. De Fields. About 12% of the fire department is said to be on full-time inspection work during the year.

In the case of public institutions, interest was much intensified by the fire at St. Hyacinthe last winter when a large school was burned.

J. E. Ritchie of the Ontario Fire Marshal's Department stated that it was more a matter of good luck than good management that similar disasters had not occurred in Ontario. In most cases inefficient heating systems are the cause of fires in institutions.

Storage of Gasoline Great Fire Hazard

Increased use of gasoline for all purposes has resulted in an increase in the number of fires from this cause. In 1922 there were 601 fires arising from petroleum products, in 1926 886 and in 1930 1,069. In 1937 the number had increased to 1,433 fires. In the report of the executive officer of the Dominion Fire Prevention Association gasoline storage and handling is named as the greatest single hazard in Canada today. Its use in cleaning establishments is also named as a great hazard, gasoline being used, he says, in practically every machine shop and garage as well as dry-cleaning properties with the same nonchalance as water.

Lower Death Rate From Fire in 1937

In 1937 there were 246 deaths in Canada due to fire. This was the lowest death rate shown since 1929, when there were 233 deaths from this cause. The highest number in the last decade was 347, that figure being established in 1936.

Approximately 3,000 Canadians have lost their lives in this way in the 10 years 1928-1937.

Fire Losses Low in Cities

Peterboro, With 14 Cents Per Capita, Has Best Record in 1937

Peterborough, Ont., takes the banner for the lowest fire loss record among the larger Canadian cities in 1937. Per capita loss was 14 cents, two cents under the figure established by Levis, Que., in 1936, and a very creditable showing.

Thetford Mines, Que., was a close second, with a loss figure of 15 cents. Kitchener came third, with 23 cents per capita, and Lachine fourth, with 26 cents.

Levis, which was in first place in 1936, did not do so well last year, with a per capita loss of 49 cents. This figure was well below the average, however.

While lower figures were shown in 1937 in the majority of the larger cities than in 1936, there were some heavy losses in individual cases. North Bay, for instance, evidently due to one large fire there, had a per capita loss of $10.31.

Fire Losses in Municipalities Where Population Exceeds 10,000

	Property loss 1937	Loss per capita 1937	Loss per capita 1936
Ontario—			
Belleville	22,260	1.51	2.31
Brantford	17,143	0.54	0.89
Chatham	4,845	0.30	1.29
Cornwall	15,285	1.19	1.59
Fort William	27,742	1.12	3.25
Galt	7,554	0.52	1.48
Guelph	6,385	0.30	1.00
Hamilton	601,280	3.91	0.81
Kingston	19,194	0.80	2.08
Kirkland Lake	26,465	1.39	1.74
Kitchener	7,498	0.23	0.19
London	69,213	0.91	0.57
Niagara Falls	9,953	0.52	0.56
North Bay	161,907	10.31	4.30
Oshawa	136,097	5.44	0.27
Ottawa	219,650	1.53	1.87
Owen Sound	11,584	0.88	1.58
Pembroke	6,655	0.64	1.30
Peterborough	3,347	0.14	1.23
Port Arthur	19,884	0.97	10.34
St. Catharines	13,110	0.48	13.55
St. Thomas	18,316	1.11	5.31
Sarnia	18,213	1.01	0.62
Sault Ste. Marie	55,540	2.33	1.18
Stratford	13,858	0.80	2.55
Sudbury	182,417	7.45	1.03
Timmins	26,179	1.05	6.54
Toronto	531,192	0.83	1.32
Welland	7,071	0.68	1.55
Windsor	129,639	1.26	0.87
Woodstock	5,126	0.46	0.60
Quebec—			
Cap de la Madeleine	10,606	1.05	0.76
Chicoutimi	25,089	1.92	1.87
Drummondville	54,184	5.42	5.80
Granby	13,907	1.16	0.81
Hull	50,777	1.68	0.69
Joliette	12,292	1.02	3.45
Jonquiere	26,592	2.20	0.63
Lachine	5,075	0.26	4.45
Levis	5,857	0.49	0.16
Montreal	1,708,993	1.39	1.44
Outremont	75,182	2.52	3.44
Quebec	351,583	2.39	2.64
St. Hyacinthe	25,438	1.41	1.18
St. Jean	8,410	0.65	1.47
St. Jerome	16,842	1.66	0.84
Shawinigan Falls	5,197	0.30	3.11
Sherbrooke	66,770	2.10	1.62
Sorel	6,080	0.54	6.01
Thetford Mines	1,790	0.15	0.60
Three Rivers	55,574	1.39	1.37
Valleyfield	9,310	0.69	1.38
Verdun	25,228	0.40	0.70
Westmount	15,874	0.60	0.96
Manitoba—			
Brandon	13,623	0.83	1.31
St. Boniface	15,101	0.92	0.46
Winnipeg	248,219	1.11	0.82
Saskatchewan—			
Moose Jaw	86,633	4.33	0.43
Prince Albert	9,187	0.83	3.20
Regina	18,553	0.34	0.61
Saskatoon	50,046	1.22	1.31
Alberta—			
Calgary	83,567	1.02	1.28
Edmonton	204,761	2.35	1.67
Lethbridge	8,535	0.61	0.73
Medicine Hat	3,956	0.40	0.91
British Columbia—			
New Westminster	13,265	0.63	0.67
North Vancouver	3,085	0.31	1.51
Trail	4,011	0.35	0.18
Vancouver	524,627	2.14	2.03
Victoria	65,733	1.68	0.52
Nova Scotia—			
Glace Bay	75,650	3.44	1.66
Halifax	204,069	3.14	1.78
Sydney	154,856	6.19	6.29
New Brunswick—			
Moncton	9,776	0.47	1.83
Saint John	90,324	1.90	2.76
Prince Edward Island—			
Charlottetown	40,454	3.80	0.97

Fire Premiums Almost Steady At 1937 Level

Improvement Looked For in Last Quarter of Year

RATES ARE LOWER

Fire insurance companies are looking for better business in the closing months of the year.

Among the factors which are expected to bring improvement are relief regarding the European situation and the larger crop in the West.

For many months and in some cases for some years, the threatening outlook in Europe has discouraged building and industrial operations. This threat now seems to be passing.

Premiums for the first nine months of the year have been about the same as a year ago, or a little lower. Generally speaking it is felt that the fire insurance business has just about held the level of 1937.

Businessmen Cautious

Businessmen this year have been cautious. Volume of trade and manufacturing has not been expanding and prices generally have been lower. Stocks in warehouses have been light. Property values, too, have, in a number of cases, been lower. The general effect has been less business for the insurance companies.

Another important factor in the situation has been the continued downward trend of fire insurance rates. This has been due partly to lower loss ratios and partly to price cutting by some of the companies.

Rates have been reduced to such an extent that even where a larger volume of business is being written there is no improvement in the total premium income.

Business From Mining Plants

The mining industry continues one of the bright spots in the business. Here the number of plants requiring insurance is steadily increasing, while the rates charged are usually higher than those obtained on ordinary urban property.

Building of dwellings has shown little improvement over last year and the effect of new houses erected has been offset fairly well by old buildings being torn down.

Recent developments in Europe and in the Canadian West, however, are looked to as likely to bring about a higher premium income in the closing months of the year.

37 YEARS
SINCE 1901 NORTHWESTERN MUTUAL HAVE RETURNED MORE THAN 23 MILLION DOLLARS IN DIVIDENDS TO POLICYHOLDERS.
BRANCHES ACROSS CANADA
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NORTHWESTERN MUTUAL FIRE ASSOCIATION
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ESTABLISHED 1824

The WESTMINSTER
FIRE OFFICE
of London, England — Founded 1717
Head Office for Canada
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Manager for Canada—E. E. KENYON
Assets Exceed — $150,000,000
FIRE — AUTOMOBILE — CASUALTY

IT'S CHEAPER TO BE INSURED
You can't dodge the possibility of Fire but you can protect yourself against loss. It pays to insure.
UNION INSURANCE SOCIETY OF CANTON LTD
Established 1835
ASSETS OVER $30,000,000.00
Head Office: Toronto
COLIN E. SWORD, Manager for Canada
J. W. BINNIE, Associate Manager (Montreal)

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NEW YORK FIRE INSURANCE COMPANY — ESTABLISHED 1832
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HEAD OFFICES IN CANADA, INSURANCE EXCHANGE BUILDING
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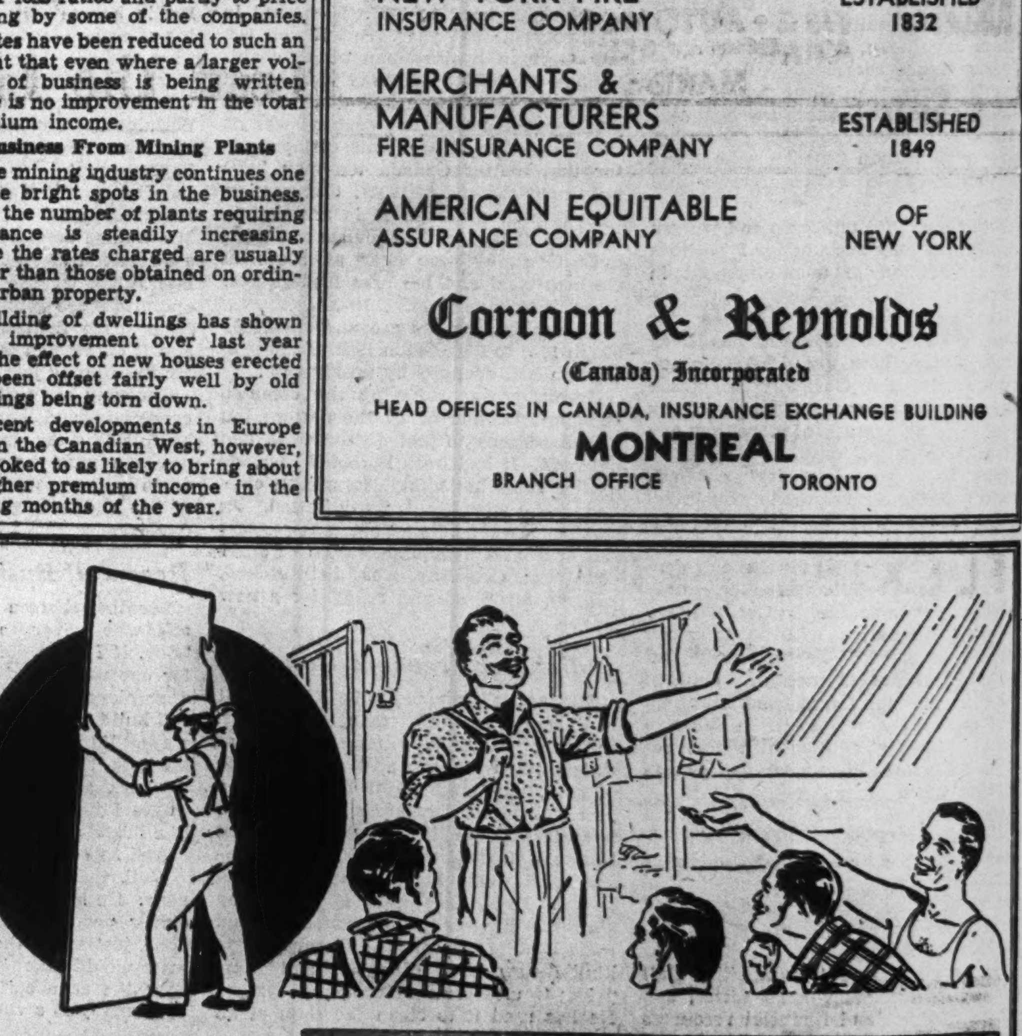

GYPROC and GYPROC WOOL
FIRESAFE CONSTRUCTION

Used for the New MacLeod-Cockshutt Mine Buildings

Fire, last year, destroyed the bunkhouse and cookery at MacLeod-Cockshutt Mines . . . and nearly cost the lives of two men.

The management, determined to guard against the possibility of destruction by fire in the future, *specified fireproof GYPROC* for the two new bunkhouses and cookery.

Stud spaces, throughout these buildings, are filled with GYPROC WOOL *Thick* Insulation and walls and ceilings are lined with fireproof GYPROC. As wood . . . which will not char below 450°F . . . cannot be heated over 212°F, when protected by Gypsum, the fire protection afforded by this Gyproc construction can readily be understood.

Equally important are the insulating properties of this construction, which materially reduce heating costs.

The three new MacLeod-Cockshutt buildings, for example, require 20% less radiation than formerly, and all through last winter steam at 1½ lbs. pressure kept them comfortable.

GYPROC CONSTRUCTION will provide similar Fire Protection and Heating Economy for all types of mine buildings. Our nearest branch will be glad to cooperate with you in every way. Write or telephone.

Gypsum, Lime and Alabastine, Canada, Limited
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Many Lessons are Drawn From Fires of the Past

Type of Construction and Town Planning Stressed by Expert

By J. E. RITCHIE, B.A.Sc.
Fire Prevention Engineer, Office of the Ontario Fire Marshal

In the beginning all fires are at least comparatively small but most of them are potentially large. The lack of any of the fundamental requirements for localizing and extinguishing a fire may permit a harmless looking blaze to grow into a thing of terror. The most effective curb is, of course, prevention of the incipient fire through careful habits and proper installation or isolation of hazardous processes or materials.

When, however, a fire has made a start, its intensity, duration and progress will be determined largely by certain governing factors. Experience has demonstrated that when a fire has reached widespread proportions, even the fire department is almost at its mercy in the ordinary town or city.

Factors in Spread of Fire

The growth of a fire develops with rapidly increasing acceleration. At first the surrounding construction and the atmosphere absorb a great deal of the heat but as more combustible material becomes involved and the surroundings lose their power to absorb heat, the rate of rise in temperature increases rapidly with the result that additional materials over a wider area soon reach the point of ignition.

Whether a fire will be brought under subjection in its early stages or will ultimately get out of control depends primarily on:

1. The time that elapses before the fire is detected.
2. The time required to bring extinguishing equipment into play.
3. The suitability and effectiveness of the extinguishing equipment.
4. The nature of the materials involved in and exposed to the fire.
5. The congestion of the materials and the construction exposed to the fire.
6. Building materials and the type of construction.

The last named item is at least as important as any of the others, for upon the type and material of construction depends largely the effectiveness of every step that is taken following the discovery of an outbreak of fire. Fire-safe construction is too often interpreted as merely using incombustible material, forgetting that the contents of a building may present a much greater hazard of fire than the construction itself.

Superheated gases of combustion, unless confined and insulated, will raise the temperature of and will ignite combustion material in all accessible parts of a building, even when there are not any combustible contents or materials of construction to communicate a fire through the intervening spaces.

Fire Temperatures

In large fires temperatures of 1,800 deg. Fahr. are often reached. The likely maximum temperature in a conflagration is approximately 2,200 deg. Fahr., although under particularly favorable conditions it is believed that temperatures of 2,400 deg. Fahr. are sometimes reached. In any ordinary fire the temperature rapidly rises beyond the danger point.

Most common combustible materials will ignite at temperatures ranging from 350 deg. Fahr. to 500 deg. Fahr. Many of the woods, such as cedar, white pine, white oak and birch, will ignite at temperatures ranging from 375 deg. to 425 deg. Fahr. Newsprint paper has an igniton temperature of about 365 deg., leather 415 deg., and jute fibre 380 deg., while hay and tobacco have been known to ignite at a temperature as low as 342 deg. Fahr., without the application of any external flame, but merely from radiated heat.

Not only do many combustible materials ignite at temperatures considerably below what is commonly believed, but so-called incombustible materials have greater limitations than is ordinarily supposed and very often disintegrate or otherwise fail under the application of heat. For this reason care should be taken that materials of construction are selected with relation to the temperatures that they are likely to be called upon to withstand. Only by a careful study of the likely temperatures, taking into consideration the contents of the building, can both the interests of safety and economy be served.

Wired glass will withstand a temperature of approximately 1,100 deg. Fahr., but above that temperature it is likely to fail. Furthermore, if it is subjected to any very serious exposure of fire, sufficient heat may be radiated through it to combustible materials on the inside to set fire to them unless the openings with wired glass are further protected by shutters or by a water curtain.

Localizing a Fire

Conflagrations generally result from inability or failure to localize a fire in the building in which it starts, whereas proper precautions can confine the fire near the point of its origin. In buildings, particularly with combustible contents, large unbroken horizontal areas should be avoided. It is also very essential that vertical openings and vertical chutes be properly protected so that the heat cannot be communicated from floor to floor.

The subdivision of the floor areas entails the building of solid fire walls in which any openings are protected by standard fire doors. This alone, however, will not be sufficient for safety in buildings that are several stories in height as the natural path of travel for fire is upward. Stairwells, elevator shafts, ventilating and air-conditioning ducts, laundry and dumb-waiter chutes, belt opening in floors and similar means of communication of heat must all be properly protected or a fire will reach such proportions as to affect neighboring properties and to prove a very difficult problem for the fire department.

When a building has been properly subdivided horizontally and vertically, fire can easily be localized until the fire department can deal successfully with it, providing that the materials of construction are incombustible or at least slow-burning.

In addition to subdividing a building so that a fire cannot be communicated from one section of it to another, it is just as essential that provision be made against the communication of fire from any part of a building through the external openings to another building. This implies proper protection of all openings with due regard for the proximity of any exposure hazard. Inexperience has led a great many to rely too much upon the value of intervening spaces. Fires that had not even reached the proportions of a conflagration have radiated sufficient heat across a street to set fire to buildings and their contents on the opposite side.

When the original fire has spread to other properties the problem becomes more complex and makes greater demands upon the equipment and personnel of the fire department and upon the services of the waterworks department. The farther the fire spreads the more complex becomes the problem and it has not been uncommon in large fires to find that either the pumping equipment of the system of watermains was not equal to the task in hand. Ultimately a fire may reach a stage where it can be truly said to be "out-of-control."

Lessons Learned

To those who have made a study of fire protection and fire prevention, conflagrations of the past have clearly demonstrated certain lessons which, however, have not been recognized by the people as a whole or by the building fraternity as a whole.

Among the lessons that we have learned or that we should have learned are:

1. A fire department cannot control a fire in a large congested area in which the fire can spread more rapidly than the department can get into effective operation. In many conflagrations of the past, burning embers carried by the wind and the draft created by the fire, set fire to buildings one quarter to one half a mile in advance of the main front of the fire.
2. Climatic conditions and a good fire record are no guarantee of safety and should have but slight consideration in estimating fire protection.
3. The protection of exterior wall openings is an absolutely essential factor in preventing the integrity of a firebreak formed by walls of brick or masonry.
4. There should be an ample water supply and sufficient pressure to give effective streams under maximum requirements, either by direct pressure or by pumping engines. Few municipalities are equipped with a water supply and water system to meet a serious emergency.
5. Safety from dangerous spread of fire demands protection of interior and exterior wall openings, enclosing of vertical openings, subdividing of large horizontal areas, proper construction of parapets and the elimination of frame buildings and additions to buildings in congested areas.
6. Finally, we have learned from conflagrations that even a small innocent-looking grass fire and other fires equally insignificant in their beginning, have virtually wiped out the best part of great towns and cities.

Architects, engineers and builders can do much in this direction, for their position with regard to fire prevention and fire protection is unique, as upon them will largely depend the standard of building construction which is to represent the homes, shops and factories of our country. The engineer's work remains as a monument to him after he has gone, but it can hardly be claimed that the many thousands of fire-scarred buildings reflect professional credit on the creators.

DWELLING FIRES THREATEN LIVES

Fires in dwellings in Canada in 1937 totalled 34,227, an increase of 2,426 over the preceding year. Lives are often lost. Even when the walls are left standing the inside may be completely gutted and thousands of dollars worth of furniture and furnishings destroyed. No amount of insurance can replace human lives, art treasures and souvenirs.

Smokers Fires Lead the List

Are 29% of Total Number in 1937 With Loss of $2,670,000

Has your cigarette ever been the cause of a fire?

Maybe it has and you have not known it.

Somebody's cigarettes, pipes or matches are responsible for more fires than any other single cause.

In 1937 official figures show that 12,933 fires were due to careless smokers, the amount of property destroyed being $2,670,000, or $206 a fire. Compared with an average loss for all fires of $509.

Ten years ago the number of fires due to this cause was under 3,000 for the whole of Canada. The steady increase in the number of smokers, mostly among women, appears to have developed a startling indifference to the hazards of fire from cigarettes, tobacco and matches.

While it is impossible to say which are the most careless, men or women, the fact remains that "smokers' carelessness" is listed as the greatest cause of fires in Canada.

These "smokers'" fires constitute about 29% of the total number, against 25% last year.

It is pointed out, however, that while the average loss in smokers' fires may be relatively small, any one of them is liable to and often does develop into a large fire.

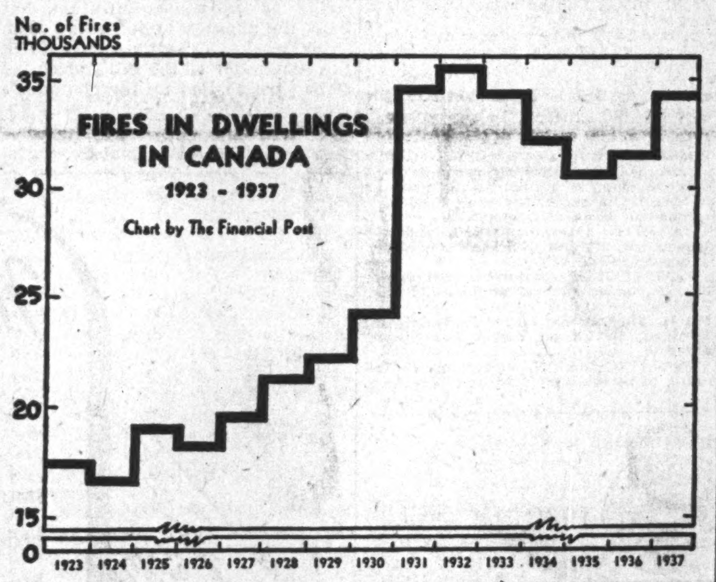
The next cause of fires is given as stoves, furnaces, boilers and pipes. The number of fires from this cause, 4,815 is far below the number due to smokers' carelessness. The dollar loss was $1,949,761, which makes an average loss of $405.

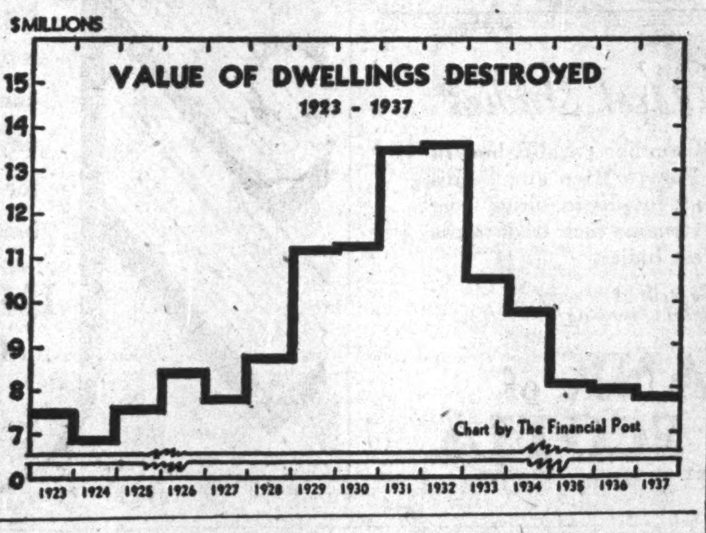
Defective chimneys stand in third place as cause of fires, but they come second only to "smokers'" fires in total dollar loss, the value of property burned, due to this cause, being $2,288,014 in 1937, or an average of $581 per fire.

To unknown causes were attributed 7,954 fires, with a total loss of $5,099,866.

Number of fires due to the different causes and losses sustained are given in the accompanying table:

Causes of Fires	No.	Property Loss
Smokers' carelessness ..	12,963	2,670,445
Stoves, furnaces, boilers and pipes	4,815	1,949,761
Defective chimneys and flues	3,937	2,288,014
Electrical wiring and appliances	3,715	1,945,953
Sparks from chimneys on roofs	2,493	994,846
Hot ashes and coals	1,809	673,068
Petroleum products and other volatiles	1,433	1,566,601
Sparks from open fires .	1,367	397,414
Misc. known causes	1,115	885,923
Exposure to adjacent building fires	907	1,294,043
Portable lamps, lanterns and open lights	511	187,716
Lightning (buildings not rodded)	437	509,306
Matches (other than smokers' carelessness)	376	334,001
Incendiary (supposed) .	268	331,000
Hot grease, oil, wax, asphalt, etc.	212	188,635
Spontaneous ignition ..	198	465,979
Fireworks	183	47,706
Explosions (other than petroleum products) .	106	287,051
Steam and hot water pipes	98	94,335
Hot and molten metal ..	36	32,096
Friction	31	9,473
Motion picture film ignition	6	2,804
Unknown causes	7,954	5,099,866
Total	[illegible]	[illegible]





Prov. Transport Co. Earnings Improve

Gross Revenues Increase $100,000 in First Eight Months

From Our Own Correspondent

MONTREAL. — The Provincial Transport Co., which operates the principal bus lines serving Montreal and area, reports improvement in earnings in the first eight months.

Gross earnings show an increase over the same period of 1937 of over $100,000 to $996,722. Operating expenses also increased, but net earnings at $172,829 are $33,854 higher.

As would be expected, a considerable part of the increase in passenger revenue came in the peak months of July and August. For the first six months of the year gross revenues totalled $501,938, an increase of $56,732. Thus, revenues in July and August totalled $494,784, an increase of $43,880.

Comparative figures for the first eight months follow:

Eight Months Ended Aug. 31	1938	1937
	$	$
Gross earnings	996,722	896,110
Oper. expenses	823,893	757,135
Net earnings	172,829	138,975

WINDSOR, Ont. — The Town of Riverside has appointed the Guaranty Trust Company of Canada fiscal agents to carry out the Town's debt refunding scheme.

Seiberling Rubber Plan Now Being Put in Force

The plan of reorganization of Seiberling Rubber Co. of Canada, as approved by shareholders some time ago, has been sanctioned by the courts and supplementary letters patent received. As a result preferred shareholders are now being asked to surrender their stock for exchange.

Under the plan all preferred stock and accrued arrears of dividends are cancelled. In exchange three common shares will be given for each preferred share. Seiberling Rubber Co., Akron, Ohio, holds all the common stock of the Canadian company as well as 1,481 preferred shares. The parent company has agreed to donate 10,557 of its common shares which will be distributed to the holders of the balance of the 5,000 preferred shares on the three for one basis.

Nanaimo-Duncan Raises Common Dividend to 20c

Nanaimo-Duncan Utilities paid a semi-annual dividend of 20 cents a share on its common stock, on Oct. 1, 1938, to shareholders of record Sept. 15. Last previous payment was 12½ cents a share in April of this year.

The company's common stock was split on a two-for-one basis last December. The initial payment on the new stock of 12½ cents a share maintained an equivalent rate to that prevailing prior to the stock split. The last declaration means an increase.

Regina is Winner Of Fire Contest

Western cities were prominent when the winners in the Canadian Chamber of Commerce annual fire prevention contest were announced at the Seigniory Club last week.

In Class 1 (cities over 50,000) Regina stood first, with Quebec second and Winnipeg third. P. D. Cruickshank, Ottawa, chairman of the executive, Dominion Fire Prevention Association, presented the trophy.

Class 2 (cities of 15,000 to 50,000), Kitchener, Ont., first; Brandon, Man., second; Brantford, Ont., third; St. Boniface, Man., fourth, followed by St. Catharines, Ont., and Victoria, B.C.

Class 3 (cities 5,000 to 15,000), Medicine Hat, Alta., first; Kenora, Ont., second; Trail, B.C., and Welland, Ont., gaining honorable mention.

Class 4 (towns of 5,000 and under), North Battleford, Sask., first; Chilliwack, B.C., second, and Kentville, N.S., third.

The contest which was instituted in 1927 has stimulated efforts to eliminate hazards and reduce fires and loss of life and property. It is believed that it has contributed substantially to the decline in fire losses which has taken place in recent years. Contestants are the boards of trade or chambers of commerce that are members of the national body.

Great Eastern Oil Offers Bond Issue

Newfoundland Concern Plans to Erect Storage Tanks

From Our Own Correspondent

MONTREAL.—B. D. Parsons & Co. Ltd., investment dealers, St. John's, Newfoundland, is offering $70,000 of 6% first mortgage 15-year bonds of Great Eastern Oil & Import Co.

Details of the issue follow:

$70,000
The Great Eastern Oil & Import Co., Ltd.
6% First Mtge. Sinking Fund Bonds
Dated: Sept. 1, 1938. Due: Sept. 1, 1953.

Company—Since 1928 has imported and sold gasoline, motor oil and other petroleum products in Newfoundland. Also handles radios, washing machines and electric household appliances.

Capitalization—	Author.	Issued
1st mtge. bonds	$ 70,000	$ 70,000
Capital shares	1,000,000	154,330
	Deferred	25,000

Earnings—After providing for operating expenses, bad debts, depreciation and taxes, amounted to $13,131 in 1937, compared with $9,741 in 1936. Earnings for the six months of 1938 show a substantial increase over the same period of 1937. Interest requirements of this issue amount to $4,200 annually. Dividends have been paid in every year since incorporation except one, payments varying from 5% to 7%.

Security—First mortgage on land and storage tanks and a floating charge on other assets. Assets are valued at $160,000 and will be increased to $230,000 by proceeds of this issue.

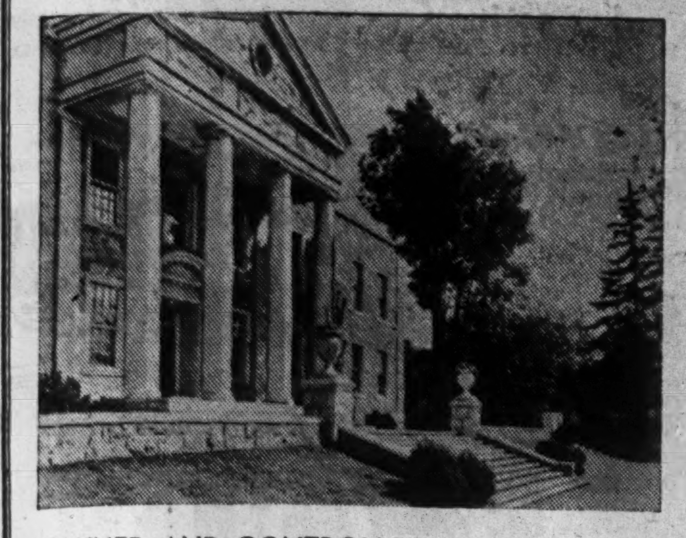
Sinking Fund—Annual payment of 5% of the entire issue.

Callable—At 105 to Sept. 1, 1943; at 102½ thereafter to maturity.

Purpose—Proceeds to be used to erect modern storage tanks.

Offering—At par to yield 6% by B. D. Parsons & Co. Ltd.

Edmonton, Alta.—Liquid position of Edmonton has improved by more than $704,000 during the 17-month period ended June 30, attributable principally to operations of the fourth refunding scheme, according to the report of City Commissioner John Hodgson.



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GREAT AMERICAN INDEMNITY CO. • COUNTY FIRE INSURANCE CO. OF PHILADELPHIA

Fire Casualty Hail Inland Transportation

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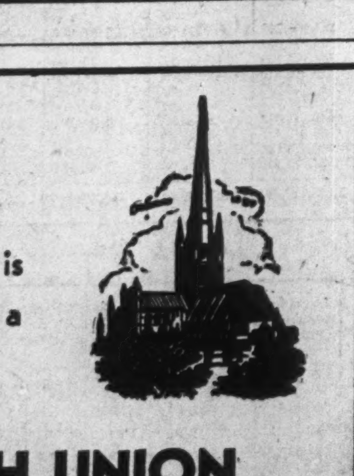
ADAM McBRIDE, Manager TORONTO — Branch Offices WINNIPEG — J. H. HARVEY, Assistant Manager VANCOUVER

Preventing a Loss is next to Preventing a Fire



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Head Office for Canada—12 Wellington St. E., TORONTO

E. M. WHITLEY, General Manager for Canada

F. W. LAMONT and C. C. PAULL, Asst. Managers

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THE CALIFORNIA INSURANCE COMPANY

AMERICAN CENTRAL INSURANCE COMPANY

COMMERCIAL UNION AND ASSOCIATED COMPANIES 100% SECURITY

THE CANADA ACCIDENT AND FIRE INSURANCE COMPANY

THE NORTH WEST FIRE INSURANCE COMPANY

THE BRITISH GENERAL INSURANCE COMPANY LIMITED

THE COMMERCIAL UNION FIRE INSURANCE COMPANY

THE BRITISH AND EUROPEAN INSURANCE CO. LIMITED

THE OCEAN ACCIDENT AND GUARANTEE CORPORATION LIMITED

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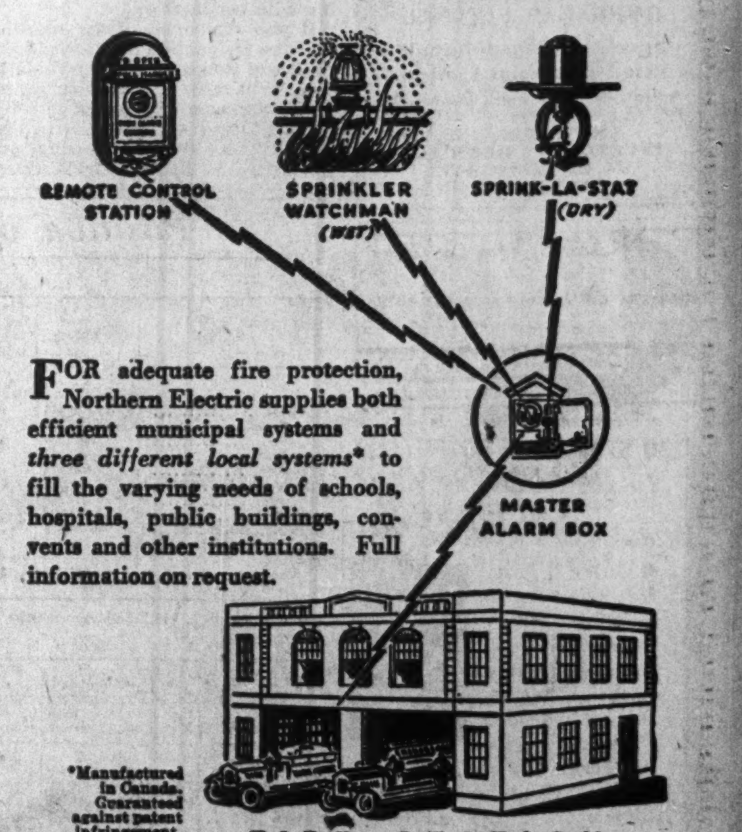

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Banking

Bank Loans to Business Higher than Last Year

Deposits Also Show Large Increase With Result That Credit Index Is Lower Both for Month and for Year

While commercial loans by the chartered bank in August showed a decrease of $5.3 millions from July, they were $33.3 millions above those of August, 1937. The decline for the month was contrary to the usual seasonal trend and evidently indicates that the downward movement in Canadian business in sympathy with that in the United States was still in progress. At the same time the amount of money out on loan was higher than it was a year ago.

Call loans were down slightly for the month, but showed a decrease of $43.4 millions from August last year. The decline compared with last year may be ascribed in large part to lower stock exchange loans. Prices of securities were lower and the volume of stocks held on money borrowed from the banks was evidently smaller than it was in August last year.

Loans to the Canadian provinces were up for the month but down for the year, changes in both cases being small.

Borrowings by municipalities, however, while down $3.5 in July, were up $17 millions compared with August, 1937.

Total deposits were $28.1 millions higher than in July and $57.8 millions above the level of August, 1937.

The result of the changes in loans and deposits was that The Financial Post credit index declined to 36.6% from 37.3 in July and 38.0 in August, 1937.

Deposits of the chartered banks with the Bank of Canada were $14.7 millions higher than in July and $18.9 millions higher than they were in August last year, indicating a stronger liquid position.

Circulation of bank notes continued to drop, being $2 millions lower than in July and $12 millions lower than in August, 1937.

Use of Bank Credit in Canada
In Millions of Dollars)

	Aug. 1938	July 1938	Change	Aug. 1937	Change
Loans	983.2	990.9	— 7.7	977.0	+ 6.2
Investments	1439.8	1436.4	+ 3.4	1445.9	— 6.1
	2,423.0	2,427.3	— 4.3	2,422.9	+ 0.1
Deposits	2321.8	2293.7	+28.1	2264.0	+57.8

	August, 1938 $	July, 1938 $	Change $	August, 1937 $	Change $
ASSETS					
Immediately Available Liquid Assets					
Canadian coin	5,459,253	4,880,408	+578,845	5,102,920	+356,333
Bk. of Can. notes	54,472,989	47,909,240	+6,563,749	50,130,788	+4,342,201
Bk. of Can. depos.	202,249,878	187,533,785	+14,716,093	185,259,248	+16,990,630
Bank's cash	262,182,120	240,323,433	+21,858,687	240,492,956	+21,689,164
Other bank notes	5,838,326	5,705,862	+132,464	6,477,775	—639,449
Gold & sub. coin abd.	6,123,183	5,246,517	+876,666	4,108,759	+2,014,424
Foreign banks	129,294,933	124,660,294	+4,634,639	99,448,962	+29,845,971
Foreign curr.	27,492,536	26,824,608	+667,928	25,360,108	+2,132,428
Gov. sec. short term	435,407,530	421,545,378	+13,862,152	391,497,345	+43,910,185
Do., long term	709,561,150	717,142,471	—7,581,321	726,747,127	—17,185,977
Call loans abroad	55,048,243	53,420,213	+1,628,030	74,524,801	—19,476,558
	1,630,948,021	1,594,868,776	+36,079,245	1,568,657,833	+62,290,188
Loans and Securities Other Than Those of Canadian Government					
Municipal secs.	104,345,324	106,648,635	—2,303,311	115,605,749	—11,260,425
Public secs.▲	63,561,813	61,378,192	+2,183,621	79,548,438	—15,986,625
Other secs.	126,987,369	129,767,251	—2,779,682	132,550,931	—5,563,362
Can. call loans	70,533,480	71,036,848	—503,368	113,997,829	—43,464,349
Current loans	781,010,385	786,366,739	—5,356,354	747,670,894	+33,339,491
Loans abroad	144,215,066	151,852,799	—7,637,733	159,669,042	—15,453,976
Prov. loans	18,727,850	17,030,643	+1,697,207	19,862,964	—1,135,114
Mun. loans	112,987,304	116,511,971	—3,524,667	95,384,940	+17,602,364
	1,422,368,791	1,440,593,078	—18,224,287	1,464,290,787	—41,921,996
Other Assets					
Non-curr. loans	9,861,505	9,865,283	—3,778	11,701,089	—1,839,584
Real estate	8,335,581	8,336,305	—724	8,659,480	—323,899
Mortgages	4,387,920	4,408,314	—20,394	4,248,116	+139,804
Premises	73,618,458	73,556,262	+62,196	74,548,355	—929,897
Letters of credit	57,749,144	61,497,458	—3,748,314	66,059,572	—8,301,428
Loans to comp.	11,292,882	11,380,557	—87,675	11,095,806	+197,076
Other assets	2,230,480	2,146,211	+84,269	2,040,932	+189,548
	167,475,970	171,190,390	—3,714,420	178,353,350	—10,877,380
Total	3,220,792,782	3,206,652,244	+14,140,538	3,211,301,970	+9,490,812
Note circ. dep.	5,462,755	5,462,755	....	7,025,143	—1,562,388
Int. bank bal.	108,101,059	110,282,256	—2,181,197	108,020,277	+80,782
Gross	3,334,356,596	3,322,397,255	+11,959,341	3,326,347,390	+8,009,206
LIABILITIES					
To the Public					
Circulation	98,661,488	100,841,202	—2,179,714	110,939,351	—12,277,863
Dom. Govt.	51,995,451	55,147,415	—3,151,964	35,712,172	+16,283,279
Prov. Govt.	44,028,550	45,506,250	—1,477,700	44,708,256	—679,706
Deposits by Public					
Demand dep.	687,159,311	671,165,468	+15,993,843	686,448,383	+710,928
Savings dep.	1,634,654,979	1,622,606,061	+12,048,918	1,577,638,802	+57,016,177
Total	2,321,814,290	2,293,771,529	+28,042,761	2,264,087,185	+57,727,105
Foreign dep.	400,442,302	396,519,083	+3,923,219	433,620,529	—33,178,227
Due to Banks Abroad, Etc.					
United Kingdom	10,167,292	11,026,305	—859,013	13,150,703	—2,983,411
Foreign	36,911,022	43,735,466	—6,824,444	41,904,640	—4,993,618
Bills payable	296,206	351,887	—55,681	1,230,474	—934,268
Letters of credit	57,749,144	61,497,458	—3,748,314	66,059,572	—8,310,428
Other liabs.	2,887,844	2,875,625	+12,219	2,816,950	+70,894
Total public liabs.	3,024,953,589	3,011,272,220	+13,681,369	3,014,229,832	+10,723,757
Due bet. banks	12,370,669	16,724,339	—4,353,670	14,981,823	—2,611,154
Liability to Shareholders					
Dividends	2,374,943	2,552,021	—177,078	2,951,298	—576,355
Reserve	133,750,000	133,750,000	....	133,750,000	....
Capital	145,500,000	145,500,000	....	145,500,000	....
Gross	3,318,949,201	3,309,798,580	+9,150,621	3,311,412,953	+7,536,248
Credit index*	36.6%	37.3+	—0.7%	38.0%	—1.4%

▲Other than Canadian.
*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

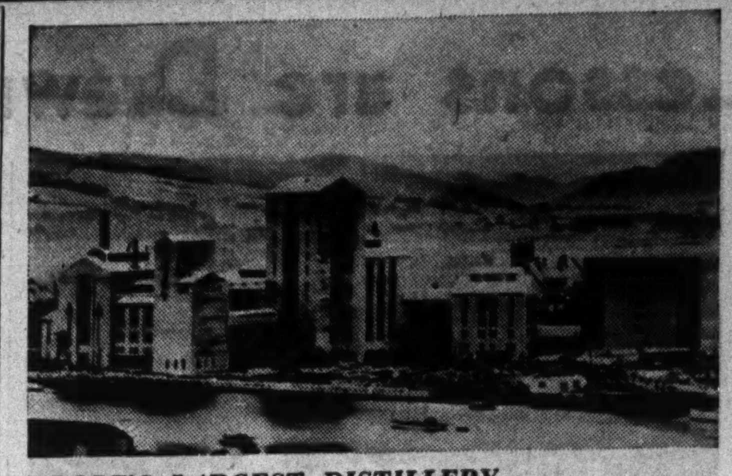
Fairchild Aircraft Elects All-Canada Board

From Our Own Correspondent

MONTREAL.—Three new directors were added to the board of Fairchild Aircraft Ltd. at the annual meeting. Sherman M. Fairchild and E. R. Robinson, of New York, resigned, while E. G. Jackson, Montreal, died during the year. In their place shareholders elected P. S. Gregory, assistant general manager of Shawinigan Water & Power Co.; Leo G. Ryan, president of Mallinckrodt Chemical Works; W. Taylor-Bailey, vice-president, Dominion Bridge Co. Other directors were re-elected.

Two by-laws also were sanctioned and confirmed by the meeting, one dealing with the change in the fiscal year from the calendar year to the year ending June 30, the other dealing with certificates.

It was explained at the meeting that the resignation of Messrs. Fairchild and Robinson was desirable in order to have an all-Canadian board, as the company is involved in work for the Dominion Government and may eventually be carrying out work for the British Air Ministry.



EUROPE'S LARGEST DISTILLERY

Hiram Walker-Gooderham & Worts has just opened the largest distillery in Europe at Dumbarton, Scotland. Carrying farther their penchant for doing things on a big scale Walker's has built the highest structure in Scotland in the 166-ft. high tower of the new distillery. The Dumbarton plant is patterned after the company's Peoria, Ill., distillery, which is claimed to be the largest in the world.

Bank Chat

French Hoard Bank Notes

In France evidently not only has the hoarding of gold become common but people have been hoarding bank notes. Withdrawals of notes from the French banks recently were so widespread that Finance Minister Marchandeau found it necessary to appeal to the French public to desist.

As the deposits were withdrawn it reduced the ability of the French banks to invest in French treasury bills on which the Government has been depending to finance itself. The result of this has been that the French treasury has had to turn to borrowing from the Central Bank.

Consequently the Bank of France has had to expand its note issue, it is said, on a scale never reached even during the post war currency inflation.

With circulation of the Bank of France rising 5,285 million francs, to a total of 108,105 million francs, the highest level reached in the history of the bank, and the gold reserve remaining stationary at 55,808 million francs, the ratio of gold reserves slumped recently to 43.69 compared with 45.89 in the week previous. This is said to be the lowest the reserve ratio has been since 1929. It was, however, 8.69 points above the 35% legal minimum.

• • •

During the month of August one branch of a Canadian chartered bank was opened, this being a branch of the Canadian Bank of Commerce at Goldbridge B.C. There were no branches closed during the month. Total number of branches in operation at the end of August was 3,468. In July there were three branches opened and five closed.

Staff Changes

Staff changes are announced by the Canadian Chartered banks as follows:—

Bank of Nova Scotia:—

A. BOURGON to be acting manager at Paspebiac, Que.

J. C. HOGAN to be manager at Glace Bay, N.S.

D. B. SCOTT to be manager at Bridgetown, N.S.

W. E. BENSON to be accountant at Barrie, Ont.

R. C. FRISE to be accountant at North Sydney, N.S.

R. E. TOWER to be accountant at Windsor, N.S.

Bank of Toronto:—

C. A. DANBY, formerly accountant at Malartic, Que., appointed acting manager at Malartic in succession to J. Heroux.

Canadian Bank of Commerce:—

G. SMITH, inspector, superintendent's department, Halifax, N.S., to be manager at London, Ont.

F. WALTON, inspector at head office, Toronto, to be manager at Port of Spain, Trinidad.

E. H. Mitchell, manager at Port of Spain, Trinidad, to be an assistant manager, Toronto.

W. D. DICKINSON, accountant at Toronto, to be assistant manager, Winnipeg.

Bank of Canada Weekly Statement

A further increase of $1.5 million in the note circulation of the Bank of Canada is reported in the statement for the week ended Sept. 28, 1938. This, like the increase shown previously, reflects the greater demand for currency on account of the movement of the crop. Deposits of the chartered banks were down by $5.1 million, probably due to the same cause. Holdings of foreign exchange were down by $6.9 million.

Balance Sheet

	Sept. 28 1938 $	Sept. 21 1938 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	174,132,964	172,580,559
Rest fund	1,348,415	1,348,415
Depos.: Dominion	25,279,412	24,581,883
Banks	205,592,423	210,784,469
Other	1,052,591	1,241,520
Total deposits	231,924,426	236,607,872
All other liabs.	2,883,380	2,671,119
Total liabs.	415,289,185	418,207,965
Assets		
Reserve: Gold	183,507,207	180,808,215
Res. in sterling and U. S.	30,798,508	37,389,840
Other curr.	701	762
Total reserve	214,306,416	218,198,817
Subsidiary coin	202,896	428,342
Investments:		
Dom. govt. short.	146,140,290	146,332,426
Other Dom. govt.	48,717,577	48,869,113
Total invest.	194,857,867	195,201,539
Premises	1,686,574	1,685,240
All other assets	4,235,432	2,894,026
	415,289,185	418,207,965
Reserve ratio	52.77%	53.32%

Eastern Car Co. Men Negotiate on Wages

From Our Own Correspondent

MONTREAL.—Striking workers of the Eastern Car Co. resumed work on October 5, when negotiations for a wage adjustment for the 160 men in the steel track department were reopened.

The dispute, which resulted in a strike of six weeks duration, has kept the plant idle for more than three weeks. Officials closed down the remainder of the mills after the strike, which tied up the company's steel construction department.

Eastern Car is a subsidiary of Nova Scotia Steel & Coal Co.

Financing Plan Elicits Warning

Bureau Points to Deceptions of Front Money Racket

Warning has been issued by the Toronto Better Business Bureau regarding reappearance of offers to arrange financing for small firms for an advance fee. The bulletin follows:

"Enquiries from local mining companies and industrial firms indicate that they have recently been contacted by so-called service organizations who represent that the problem of obtaining additional financing is comparatively simple if placed in their hands.

"The majority of operators of what is known as the Front Money Racket use a build-up and contracts that are cleverly prepared and do not obligate them to place any securities. They do, however, involve a payment of an advance fee by the person or company seeking financing.

"Investigation by the Toronto Better Business Bureau indicates that seldom do so-called promotional concerns who exact an advance fee, actually succeed in securing additional capital. The fees charged usually range from $300 to whatever the traffic will bear."

Monthly Bank Clearings

	Sept., 1938 $	Sept., 1937 $
Halifax	10,968,029	10,939,989
Saint John	7,024,441	7,927,258
Moncton	3,146,985	3,449,023
Sherbrooke	2,961,758	3,203,225
Quebec	19,819,305	22,723,311
Montreal	447,744,130	469,340,692
Kitchener	4,792,678	5,012,692
Windsor	10,980,997	11,358,656
Ottawa	74,716,005	79,547,301
Peterborough	2,630,384	2,596,701
Toronto	437,593,886	477,875,191
Hamilton	20,137,593	25,303,543
Brantford	3,419,592	3,783,444
London	10,290,839	11,992,129
Chatham	2,706,938	2,376,161
Sudbury	4,488,047	4,498,424
Fort William	3,089,995	3,346,086
Winnipeg	255,866,502	212,720,582
Brandon	2,011,617	1,724,873
Regina	33,524,754	19,013,601
Moose Jaw	3,313,369	2,584,943
Prince Albert	1,449,214	1,952,422
Edmonton	17,304,634	17,482,689
Calgary	32,174,821	26,294,158
Medicine Hat	1,529,825	1,317,097
Saskatoon	6,205,782	6,156,990
Lethbridge	3,121,822	2,815,081
New Westminster	2,612,013	3,104,541
Vancouver	78,235,174	78,145,156
Victoria	7,102,013	7,396,777

Weekly Bank Clearings

	Sept. 29 1938 $	Change Year Ago %	Sept. 22 1938 $
Halifax	2,329,358	+0.3	2,946,470
Saint John	1,583,481	—12.1	1,683,075
Moncton	712,843	—10.9	811,781
Sherbrooke	623,476	—15.6	671,746
Quebec	4,026,638	—17.4	4,705,768
Montreal	110,518,570	— 3.7	106,083,660
Ottawa	14,530,873	— 6.2	15,564,182
Kingston	608,685	— 1.9	548,991
Peterborough	538,654	— 5.2	662,388
Toronto	96,052,195	—10.8	109,575,388
Hamilton	4,393,455	—24.1	5,068,031
Kitchener	1,036,520	+ 5.4	1,317,846
Brantford	731,600	—12.9	887,300
London	2,095,505	—31.1	2,603,919
Chatham	496,095	— 8.3	518,651
Windsor	2,437,631	— 5.2	2,731,319
Sarnia	457,701	+22.2	544,916
Sudbury	1,179,207	— 0.3	1,016,169
Fort William	689,916	—14.5	753,230
Winnipeg	57,607,662	+ 1.1	57,413,423
Brandon	427,068	— 1.8	512,328
Regina	7,218,793	+79.3	8,853,147
Moose Jaw	701,315	+49.5	782,476
Saskatoon	1,469,179	+10.6	1,562,198
Prince Albert	316,516	—28.4	350,309
Edmonton	4,034,110	— 1.9	4,422,788
Calgary	9,913,811	+40.5	8,266,514
Medicine Hat	355,555	— 7.7	353,882
Lethbridge	770,580	+ 8.7	723,172
N. W'minster	637,151	—18.8	574,582
Vancouver	19,520,155	+ 8.6	19,740,743
Victoria	1,557,336	+ 0.4	1,703,601

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Position of Chartered Banks of Canada as of August 31, 1938, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation $	Deposits by and Bal. Due to Dominion Government $	Deposits by and Bal. Due to Provincial Governments $	Advances from Bank of Canada $	Demand Deposits in Canada $	Savings Deposits in Canada $	Deposits Elsewhere.▲ $	Bal. due to other banks in Canada $	Due to Banks in U.K. $	Due to Banks Elsewhere $	Bills Payable $
Montreal	22,440,844	18,778,338	7,006,294	....	187,839,109	441,444,521	58,985,266	3,151,785	2,475,655	6,581,547	156,879
Nova Scotia	9,387,296	4,284,681	1,581,421	....	45,966,895	151,030,136	47,848,915	2,190,302	226,842	1,733,980	36,095
Toronto	3,917,024	2,863,644	1,844,340	....	32,923,687	82,035,839	174,863	1,289,377	612,702	1,729,183	....
Provinciale	2,883,441	243,972	1,946,790	....	7,118,366	39,933,071	127,202	....	....	191,558	....
Commerce	17,605,271	8,526,779	12,097,154	....	143,429,679	322,254,769	58,252,887	1,093,725	1,624,366	9,241,386	8,925
Royal	26,415,211	11,783,837	9,096,413	....	174,931,001	323,068,049	226,350,137	256,213	1,563,976	11,874,409	53,353
Dominion	5,197,539	1,507,948	1,207,010	....	32,637,084	76,202,235	3,616,423	1,771,117	298,020	659,894	....
Nationale	5,104,834	1,145,180	574,614	....	25,293,732	102,765,582	818,358	1,110,245	67,620	1,037,271	41,954
Imperial	5,385,073	2,780,744	7,662,994	....	33,839,078	89,769,013	517,130	1,421,772	435,053	2,378,300	....
Barclay's (Canada)	324,955	80,328	1,011,520	....	3,180,680	6,151,764	3,751,121	86,133	2,863,049	1,483,494	....
Total	98,661,488	51,995,451	44,028,550	....	687,159,311	1,634,654,979	400,442,302	12,370,669	10,167,292	36,911,022	296,206

NAME OF BANK	Letters of Credit outstanding $	Other Liabilities $	Dividends Declared and unpaid $	Reserve Fund $	Capital Paid Up $	Total Liabilities $
Montreal	8,183,360	2,333,629	728,518	39,000,000	36,000,000	835,105,749
Nova Scotia	6,044,094	100,895	363,125	24,000,000	12,000,000	306,794,684
Toronto	867,595	....	150,448	9,000,000	6,000,000	143,408,706
Provinciale	204,639	2,254	65,522	1,000,000	4,000,000	57,716,820
Commerce	18,263,339	....	24,638	20,000,000	30,000,000	642,422,925
Royal	19,179,788	67,541	716,521	20,000,000	35,000,000	860,355,455
Dominion	2,859,454	298,221	176,664	7,000,000	7,000,000	140,432,313
Nationale	730,768	84,551	144,718	5,000,000	7,000,000	150,919,442
Imperial	881,410	....	4,789	8,000,000	7,000,000	160,075,361
Barclay's (Canada)	534,697	....	....	750,000	1,500,000	21,717,746
Total	57,749,144	2,887,791	2,374,943	133,750,000	145,500,000	3,318,949,201

SUPPLEMENTARY INFORMATION

NAME OF BANK	Capital Authorized $	Capital Subscribed $	Last Dividend %	*Loans to Directors and firms of which they are partners	Average Notes and deposits with Bank of Can. $	Greatest amount of Notes in Cr. $
Montreal	50,000,000	36,000,000	8	524,821	81,571,819	23,132,[illegible]
Nova Scotia	15,000,000	12,000,000	12	2,786,689	22,449,000	9,7[illegible]
Toronto	10,000,000	6,000,000	10	667,827	12,735,742	4,247,534
Provinciale	5,000,000	4,000,000	6	282,130	3,785,264	3,004,381
Commerce	50,000,000	30,000,000	8	5,883,633	55,583,844	17,919,830
Royal	50,000,000	35,000,000	8	1,461,102	44,430,069	27,108,943
Dominion	10,000,000	7,000,000	10	637,841	11,648,167	5,290,544
Nationale	10,000,000	7,000,000	8	117,202	11,324,734	5,202,109
Imperial	10,000,000	7,000,000	10	578,361	9,170,284	5,492,132
Barclay's (Canada)	1,500,000	1,500,000	....	3,900	860,455	384,035
Total	211,500,000	145,500,000	....	12,943,506	253,539,378	101,841,87[illegible]

▲Of this amount, $44,118,081 represents deposits in Canada in currencies other than Canadian, carried under demand and savings deposits in Canada, prior to Aug., 1935. *And loans for which they are guarantors.

ASSETS

NAME OF BANK	Gold and Subsidiary Coin Held in Canada $	Gold and Subsidiary Coin Held Elsewhere $	Notes of Bank of Canada $	Deposits with Bank of Canada $	Notes of Other Banks $	Govt. and Bank Notes other than Canada $	Cheques on other banks $	Balances due from other banks in Canada $	Due by banks in U.K. $	Due by banks elsewhere $
Montreal*	1,126,914	101,601	16,613,853	69,146,396	1,497,171	674,460	24,956,116	129	2,922,785	22,700,677
Nova Scotia	381,609	1,579,302	4,336,369	18,449,549	380,596	5,238,197	8,673,655	....	5,777,196	8,564,367
Toronto	239,139	....	2,382,065	10,312,472	233,775	114,006	6,603,917	....	436,291	1,646,017
Provinciale	247,779	....	1,186,849	2,697,381	292,875	80,483	1,408,811	106,222	11,319	101,863
Commerce†	853,562	296,505	8,020,787	47,014,429	837,175	1,191,591	20,574,232	740	2,783,379	14,749,179
Royal‡	1,306,875	4,144,899	10,269,134	33,058,970	1,283,684	19,739,636	24,374,121	4,298	16,745,877	40,950,009
Dominion	286,010	463	2,737,522	8,467,364	421,425	173,968	5,471,102	....	431,318	1,740,024
Nationale§	604,861	418	4,011,187	7,963,127	472,005	123,494	4,874,923	1,321,545	112,948	1,182,491
Imperial	409,931	....	4,858,530	4,451,397	410,945	138,720	7,248,550	623,627	628,627	2,769,151
Barclay's (Can.)	2,573	....	56,693	688,793	8,675	17,981	360,405	1,498,666	3,924,617	1,116,798
Total	5,459,253	6,123,183	54,472,989	202,249,878	5,838,326	27,492,536	104,545,832	3,555,227	33,774,357	95,520,576

NAME OF BANK	Govt. sec. short term $	Govt. sec. long term $	Canadian municipal securities $	Public sec. other than Can. $	Other bonds and stocks $	Call loans in Canada $	Call loans elsewhere $	Current loans Canada $	Current loans elsewhere $
Montreal*	162,433,673	192,915,852	28,944,516	11,921,289	33,105,786	6,423,250	23,392,285	163,105,686	9,312,526
Nova Scotia	24,581,659	71,969,928	12,539,730	669,295	13,782,530	7,714,217	2,450,675	82,676,454	15,024,634
Toronto	14,455,238	45,939,760	7,562,404	34,802	4,490,521	2,953,065	....	37,237,296	....
Provinciale	6,761,243	7,742,181	11,159,415	....	2,341,517	4,268,621	....	13,807,859	....
Commerce†	90,564,968	121,122,507	10,482,841	27,081,079	27,355,505	16,330,702	17,712,420	144,263,595	19,156,324
Royal‡	94,959,376	166,106,751	9,279,753	23,659,061	33,958,478	14,827,165	7,843,764	194,802,768	100,280,106
Dominion	12,240,822	38,796,034	4,311,962	....	3,314,567	5,094,051	3,526,001	43,599,863	415,682
Nationale§	7,939,099	21,280,452	14,736,441	196,287	8,475,118	6,521,520	123,098	47,977,841	25,804
Imperial	16,904,186	36,987,986	5,317,855	....	163,547	5,539,798	....	52,599,086	....
Barclay's (Can.)	4,537,266	6,699,699	10,407	....	....	851,100	....	939,937	....
Total	435,407,530	709,561,150	104,345,324	63,561,813	126,987,569	70,533,480	55,048,243	781,010,385	144,215,066

NAME OF BANK	Loans to provincial governments $	Loans to municipalities $	Non-Current loans $	Real estate other than Bank premises $	Mortgage on real estate $	Bank Premises $	Deposit for note circulation $	Other assets $	Total assets.▲ $
Montreal*	982,083	36,800,475	1,823,265	562,952	582,117	13,900,000	1,202,033	1,869,541	837,200,[illegible]
Nova Scotia	767,478	5,744,171	522,613	....	97,868	6,431,769	485,500	2,650,368	307,533,[illegible]
Toronto	....	6,131,255	118,733	....	39,453	3,547,743	213,229	....	145,558,[illegible]
Provinciale	172,390	2,049,570	86,468	611,532	346,381	2,094,558	160,050	88,183	58,048,[illegible]
Commerce†	6,689,135	22,308,629	3,379,215	2,598,614	1,547,250	14,735,396	1,067,000	4,426,204	645,406,[illegible]
Royal‡	1,524,690	19,115,956	2,996,828	2,646,899	791,761	14,979,963	1,475,000	3,855,923	864,191,[illegible]
Dominion	....	639,788	335,625	79,354	30,672	5,749,549	300,000	199,924	141,222,[illegible]
Nationale§	2,266,293	12,541,748	261,843	1,588,930	593,158	5,689,437	254,373	273,671	152,142,[illegible]
Imperial	6,325,781	7,655,712	327,538	247,300	359,262	6,040,043	287,349	159,438	161,325,[illegible]
Barclay's (Can.)	....	....	9,377	....	....	450,000	18,211	....	21,725,[illegible]
Total	18,727,850	112,987,304	9,861,505	8,335,581	4,387,920	73,618,458	5,462,755	13,523,252	3,334,356,[illegible]

*The business of the Bank in San Francisco, U.S.A., is carried on under the name of a local incorporated company and the figures are incorporated in the above Return.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above general statement.—Footnote to Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne National, are included in above return.—Footnote to Banque Canadienne Nationale return.

▲Total assets include $57,749,144 letters of credit outstanding as shown in liabilities.

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A PROVINCIAL PAPER
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TORONTO CANADA

Pulp and Paper Industry

McInnis Urges Canadian Forestry Congress

Sees Opportunity to Take Advantage Of Great Potential Cellulose Market

(By Staff Writer)

SEIGNIORY CLUB, P.Q.—Calling of a national forestry congress, some time early next year, for the crystallization of practical objectives on a policy of forest management and forest conservation, was strongly urged at the annual meeting of the Canadian Chamber of Commerce by R. A. McInnis, vice-president of Anglo Canadian Pulp and Paper Mills and president of Canadian Pulp and Paper Association.

Canada should devote her energies, skill, time and money to the development of forest resources to supply the world surplus requirement of newsprint, to supply the growing demand for pulp in those countries, which have large populations, adequate facilities for manufacturing those pulps into the products which they require, he contended.

Dependent on Forests

At the outset of his remarks, Mr. McInnis outlined the importance of the forest products industries to the Dominion.

"Because our operations are spread throughout the timber provinces from the Atlantic to the Pacific," he said, "there are thousands and thousands of towns and villages throughout Canada which are either entirely or partially dependent on our progress and well-being.

"It will surprise you to know that there are over 8,000 establishments operating in connection with forest products.

"I believe we are the largest employers of labor of any single industry in the Dominion. Last year this industry employed about 200,000 people and paid out in wages and salaries approximately $170 millions."

Control of Lumber

In discussing the major products of the forests in the period from 1931 to 1935, Mr. McInnis stated that of the total production 38.8% was used for fuel wood; 27.6% for pulpwood for the production of pulp and paper products; and 27.3% for lumber and timber products.

In building up his argument as to the urgent need for organized forest management and forest conservation programme, Mr. McInnis outlined the trend of developments in the lumber industry. He said:

"While it is obvious the Canadian lumber industry is still suffering from the depression that started in 1929, and is not yet fully recovered, yet it is also true that in eastern Canada, timber suitable for sawlogs has been very largely cut out. There is now doubt that much could be done to improve our lumber markets, by organizing the production and sale of lumber to meet the specifications and demands of the large American and British markets, but the growing number of small operators in eastern Canada, who enjoy considerable freedom from Government regulations, wage rates and labor control, make the necessary organization practically impossible."

The remarkable growth of the pulp and paper industry was then outlined. It was shown that there is an ever-widening market for the various paper products, but Mr. McInnis emphasized the future great expansion possible for the pulp industry.

"Only a few years ago," he went on to say, "we used to prophesy that the products of cellulose, apart from paper products, would be one of our really great industries and it is already rapidly attaining that objective. In 1929 there was a world production of 216,000 tons of rayon pulp, which, by 1937 had grown to a production of 583,000 tons. During the same time the world's staple fibre had grown from a production of only 4,000 tons in 1929 to a production of 293,500 tons in 1937. In other words, the world's production of alpha pulp for rayon and staple fibre had grown from a production in 1929 of 220,000 tons to a production in 1937 of 875,000 tons.

"At the present time 50% of all the sulphite production in Sweden and 23% of the sulphite production in the rest of Europe, is converted into these special products. The principal reason is that in 1937 rayon fibres represented 6.9% of the world's consumption of textile fabrics — just slightly under the world consumption of wool fabrics, which was 8.1%. At present 18% of all the women's wear is made from rayon pulp and 5% of all the men's wear, which indicates two important factors, namely, the tremendous growth of this field and the tremendous possibilities still ahead for rayon pulp."

Look to Canada

The potential demand, epecially for cellulose pulps, will have to be supplied by Canada. Russia will at some future date, says Mr. McInnis, have to be seriously considered, but due to the location of its forest areas, it will be some time before any considerable proportion of their products can be economically exploited. "In eastern United States," he continued, "there is no doubt but that forest operations are at present substantially exceeding their annual regrowth. Nor do we need to worry about southern pine; there are many economic reasons for this, and one of the most important being that the southern pine forests are nearly all privately owned."

Only a limited portion of the forest areas of the world are commercially suitable for cellulose products. Therefore, Canada is in a strategic position to quickly supply the world's surplus requirements for pulp, Mr. McInnis contends. Further, Canada is in an extremely favorable position, having 91.5% of her forests owned by the Crown, within the rights of the Dominion or of the Provinces. No other country, except Russia, is in the same position, he points out.

In order to take advantage of the potentialities of the world paper and pulp markets, Mr. McInnis urges that there be no delay in setting up a soundly organized forest management and forest conservation policy.

It is to that end he urged the calling of a forestry congress, without political color, which would formulate a policy or policies to enable the Dominion to take the fullest advantage of the opportunities opening up for the pulp and paper trade.

Bowater Plan Is Advanced

Newfoundland to Place Proposal Before London

From Our Own Correspondent

MONTREAL.—An agreement has been reached by the Newfoundland Government and Bowater-Lloyds (Newfoundland) Ltd. respecting timber and tariff concessions. Terms of the agreement were not disclosed pending submission for approval by the Dominion's office.

Originally Bowaters had put forward a proposal for the construction of a $6 millions sulphite pulp mill in the Gander Valley region, in return for tariff concessions and the right to export a minimum amount of pulpwood from limits to be acquired in Newfoundland and Labrador.

Later Bowater was successful in securing stock control of International Power and Paper Co.'s Corner Brook plant and alternative proposals were put before the Newfoundland Government.

An Alternative Proposal

The second proposal would have increased the capacity of the Corner Brook mill by 226 tons of pulp daily. Under this proposition an agreement would be entered into with Bowaters-Lloyds (England) to cut for export a minimum of 50,000 cords of pulpwood for a period of years. Establishment of facilities for increase in pulp production would be in exchange for rights to cut wood for export.

The current dispatch from Newfoundland is indefinite in that it does not indicate what type of proposal has been agreed upon by the two parties for submission to the Dominion's office in London. However, in view of the negotiations which have been conducted to date, it would appear that the agreement revolves around a proposal to extend the present pulp productive capacity at Corner Brook in return for tariff concessions and the right to export pulpwood.

Hawkesbury Pulp May Build Plant

From Our Own Correspondent

MONTREAL.—Hawkesbury Pulp Recovery Co. plans construction of a $100,000 plant at Hawkesbury, Ont., for the manufacture of cardboard boxes.

John B. Woods, mayor of Hawkesbury and J. Chapman, of the same town, are reported to be interested in the new enterprise. Further, it is understood a German syndicate will finance and incorporate the new company, negotiations for which are now under way.

Port Royal Pulp Resumes Operations at Fairville

From Our Own Correspondent

MONTREAL.—Port Royal Pulp and Paper Co., Fairville, N.B., has resumed operations on a limited scale.

The inability of Japanese importers to secure exchange to finance their purchases of pulp resulted in the closing down of the Port Royal mill about five months ago. Though the Japanese market remains closed, the company anticipates being able to market its small amount of pulp in other fields.

C. N. R. Equipment Lease Registered at Ottawa

From Our Own Correspondent

MONTREAL.—Canadian National Railways has deposited with the Secretary of State supplemental lease dated as of June 1, 1938, from Canadian National Rolling Stock Ltd. to Canadian National Railway Co., supplementary to lease dated May 1, 1927, respecting Canadian National Railways equipment trust series J-1927 and assignment thereof to the Guarantee Trust Co. of New York, as trustee.

Notice also is given that a supplemental lease dated as of July 15, 1938, Canadian National Rolling Stock Ltd. and Canadian National Railway Co. supplementary to lease dated July 1, 1924, re Equipment Trust series H-1924 and assignment thereof to the Trust Co. of New York, trustee, has been filed with the State Department.

Montreal Power Sets Dividend Pace

From Our Own Correspondent

MONTREAL. — Montreal Light, Heat and Power Consolidated has set up another corporation record! The current quarterly dividend declaration is the 89th consecutive quarterly dividend paid by the present company.

This is an impressive record of stability and even more so when it is considered that the current dividend is the 150th consecutive payment since incorporation of the original company in 1901.

GENERAL MANAGER

W. S. Kidd, who has been appointed general manager of E. B. Eddy Co., Hull, Que.

Steel Co. May Build New Mill

$10 Million Plant Addition Being Considered by Company

From Our Own Correspondent

MONTREAL.—The Steel Co. of Canada is considering the installation of a continuous strip mill, according to Ross H. McMaster, president. The mill would be the only one of its kind in Canada and would cost approximately $10 millions.

Due to the unsettled conditions prevailing this year the proposal has not advanced beyond preliminary stages. Now that the outlook has improved definite decision will probably be made in the near future.

If the company decides to go ahead with the project it will purchase as much of the equipment as possible in the domestic market. In fact, some Canadian firms are at present preparing estimates of the cost of some of the equipment.

During recent years Steel Co. of Canada has carried on a steady programme of plant expansion and improvement. In 1937 is spent $5.3 millions on additions and improvements. Included in the additions have been a new 150-ton open hearth furnace and a new 44-inch blooming mill.

As in the case of its other additions a continuous strip mill would speed up output, increase efficiency and lower production costs.

H. T. Diplock Elected Director of Steel Co.

MONTREAL. — H. T. Diplock, Montreal, has been elected a director of the Steel Co. of Canada. Mr. Diplock, a vice-president of the company, fills the vacancy created by the death of C. C. Wilcox, of Hamilton.

Hinde & Dauch Sales Pick Up

Third Quarter Wipes Out Some of the Recession of First Half

Hinde & Dauch Paper Co. of Canada experienced enough pick up in production in the third quarter of 1938 to offset some of the decrease shown in the previous two quarters as compared with 1937, L. F. Winchell, vice-president and general manager, states in a letter accompanying current dividend payments.

Encouragement is derived from reports of improving business conditions in the United States while the Canadian situation also gives ground for optimism. Mr. Winchell states that the company feels fairly well assured the autumn season this year will be about normal for that period of the year. There is some possibility that there will be further improvement in the company's position before the close of the year.

Last year Hinde & Dauch had net profits equivalent to $1.82 a share on its 299,933 common shares, marking a high level for profits for the past several years.

Traffic—

From Our Own Correspondent

MONTREAL.—A moderate improvement is noted again in the Canadian railways' report on carloadings of pulpwood and pulp and paper. While the improvement since the beginning of September has been of minor proportion, still the trend is along more favorable lines though running behind last year's figures, with the exception of pulpwood.

Comparative figures on the carloadings of pulpwood and pulp and paper follow:

Carloadings of Pulpwood	
Week ended Sept. 24, 1938	1,254
Week ended Sept. 25, 1937	1,373
Year to Date	
1938	70,290
1937	64,291
1936	47,838
Pulp and Paper Carloadings	
Week ended Sept. 24, 1938	1,561
Week ended Sept. 25, 1937	2,223
Year to Date	
1938	64,183
1937	[illegible]9,811
1936	[illegible]3,053

Pacific Coyle Meets Unsettled Conditions

Unsettled conditions in the logging and towboat industry still continue, according to E. J. Coyle, president of Pacific Coyle Navigation Co. This made it impossible to foretell probable earnings trend for the company in the current year, shareholders were told at the recent annual meeting.

Extensive improvement and additions were made to the company's fleet during the past year and it is expected that outlay for maintenance and replacements will not be nearly as high this year. The president stated that Pacific Coyle had been able to maintain its proportion of the business available.

Cash on hand had improved to $35,874 at the date of meeting, from $15,122 at the end of June. Directors were re-elected without change.

Board Sales Hold for 1938

Domestic Shipments Down in August — Cumulative Total Near 1937

From Our Own Correspondent

MONTREAL. — Domestic shipments of insulating board for August totalled 4,329,012 sq. ft. This contrasts with 5,173,049 sq. ft. for the same month last year. The returns, compiled by the Dominion Bureau of Statistics from reports received from International Fibre Board Co., Donnacona, and Building Products, show that the reduction was due to a falling off for panel-board and roof-board. Both plaster base and miscellaneous board showed an increase.

Returns for the eight months to the end of August show that shipments are on much the same basis as a year ago, amounting to 31.9 million sq. ft., as against 33.7 million sq. ft. for the first eight months of 1937. On the cumulative returns, panel-board is the only product to show an increase in shipments.

Shipments Hold Up

Particulars of the returns for August and the eight months ending in August, follow: :

Returns in Square Feet

Type of Board:	1938	1937
August		
Panel	3,285,869	3,843,419
Plaster-base	654,098	651,876
Roof	245,574	506,386
Miscel.	143,471	171,368
Total	4,329,012	5,173,049
Eight Months to August		
Panel	24,743,299	23,947,238
Plaster-base	3,156,984	4,431,737
Roof	2,058,730	2,577,863
Miscel.	1,968,403	2,729,723
Total	31,927,416	33,686,561

Saint John Negotiating New Power Contract

From Our Own Correspondent

MONTREAL. — Consideration is now being given by the Saint John Civic Power Commission to the terms of a new contract to be entered into with the New Brunswick Electric Power Commission.

The 10-year contract with the city had expired some months ago and an extension was granted to expire at the end of this month.

The GREAT LAKES PAPER COMPANY Limited

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E. G. LONG, K.C., Vice-President
L. J. HEIT, General Manager
L. E. ALDRICH
A. D. COBBAN
RAY LAWSON
J. W. McCURDY
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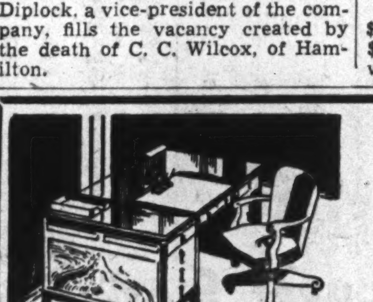

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STOCK AND BOND MARKET QUOTATIONS

Toronto and Montreal Stock Exchange Quotations

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING OCTOBER 3

Range 1938 High	Low	Div R'te $	Oct 1 Y'ld %		Sales	Last Sept. 26	Week end. Oct. 3 H	L	Cl'se
				A					
4.75	1.00	.	...	Abitibi	39758	2.62	3.87	2.00	3.37
29	8½	.	...	Do. pref. 6%	12329	17	24	15½	23½
38	25	.	...	Do. pref. 7%	....	(23 bid — asked)			
26⅞	9	.	...	Do. cert. dep.	10	22	21½	21½	21½
4½	4½	30c	...	Acadia Sugar	....	(3 bid 4½ asked)			
7	5	50c	...	Acme Glove	....	(— bid 7 asked)			
82	60	6.50	10.8	Do. pref.	....	(— bid 75 asked)			
11	8½	60+20c	8	Agnew Surp.	100	10	9½	9½	9½
110	103	7	6.7	Do. pref.	5	106	104½	104½	104½
5½	2	.	...	Alta. Pac. Gr.	....	(3 bid 4½ asked)			
29	10½	.	...	Do. pref.	....	(20 bid 28 asked)			
127	75	.	...	Aluminum	....	(124 bid 127 asked)			
107	107	6	5.6	Do. pref.	....	(105½ bid — asked)			
3	2	.	...	Amal. Electric.	....	(2½ ibd 3 asked)			
30	25	.	...	Do. pref.	....	(— bid — asked)			
26½	23	60+$1	..	Amer. Cyn. B.	....	(— bid 25 asked)			
91½	47	2+1.50	4.1	Asbestos	4540	72½	87½	67	87
16	11½	80+25c	7.7	Assoc. Brew.	270	13	13½	12½	13½
113	106	7	6.2	Do. pref.	5	113	113	113	113
6½	6½	.	...	Assoc. T. & T.A.	....	(— bid 8 asked)			
43½	34	84c	...	Do. pref.	....	(— bid 37½ asked)			
101	100	5.50	5.5	Ault & Wiborg.	20	100	100	100	100
				B					
164	160	8	4.9	Bk. Can. Nat.	110	162	162	160	162
223	195	8	3.8	Bk. Montreal	316	200	212	200	212
310½	290	12	4	Bk. N. Scotia	64	295	300	295	300
249	227	10	4.2	Bk. Toronto	88	237	238	237	238
6	5	.	...	Barcelona	....	(4½ bid 14 asked)			
9	4½	.	...	Barker's Bread.	300	4½	5½	5	5
40	30	2.50	8.3	Do. pref.	....	(— bid 40 asked)			
11½	6½	25c	...	Bathurst Pr.	2220	7½	9⅞	6½	9⅞
5	2	.	...	Do. (B)	325	4	3⅞	2½	3½
2⅞	1	.	...	Bawlf Grain	140	1	1½	1	1½
29	15	.	...	Do. pref.	....	(15 bid 24 asked)			
2	2	.	...	Beath & Sons	....	(1⅞ bid 2 asked)			
15	6½	.	...	Beatty Bros. A.	170	6½	9	7½	9
106	90	6	6	Do. pref.	....	100 bid 100½ asked			
105	80	7	7.2	Do. 2nd pref.	....	(— bid 99 asked)			
5⅞	2	.	...	Beauharnois	4070	2½	3⅞	2	3⅞
*107	100	4	3.8	Belding Cort.	....	(— bid 99 asked)			
135	129	7	5.3	Do. pref.	....	(125 bid 131 asked)			
166½	146½	8	4.8	Bell Telephone	1345	150	165	147½	165
11⅞	6⅞	50+12½c		Biltmore Hats	175	6⅞	7½	6⅞	7½

[illegible]

Mining Stocks

Par Val.	Range 1938 High	Low	Company	Sales	Close Sept. 26 (or last)	High for week	Low for week	Close Oct. 3
1	5.70	4.15	Teck Hughes	21,864	4.30	4.90	4.15	4.90
1	.25	.06	Temiskaming	11,200	.07	.10	.06	.10
1	.38	.17	Thomp. Cadillac	53,370	.18	.29	.17	.29
1	2.90	1.50	Toburn Gold	1,550	1.55	2.25	1.60	2.25
1	.67	.25	Towagmac	4,800	.28	.36	.25	.34
1	2.45	.90	Uchi Gold	78,235	1.40	2.30	1.30	1.95
No	7.40	3.95	Ventures	35,348	3.95	5.25	3.95	5.10
No	8.50	1.02	Waite Amulet	318,034	4.15	7.60	3.85	7.45
1	.20	.08	Wendigo	4,300	.10	.14	.10	.14
No	.03½	.00¾	White Eagle	12,500	.01	.01	.00¾	.01
1	.08	.02	Whitewater Mines	2,100	.03	.04½	.04	.04½
1	.18	.03	Wiltsey Coughlan	42,600	.06	.09¾	.05	.08¾
1	.43	.13	Wood Cadillac	52,700	.14	.21½	.14	.21
No	8.20	6.50	Wright-Hargreaves	16,030	6.95	7.75	6.50	7.65
No	.30	.09	Ymir Girl	2,400	.10	.14½	.09	.12½

Oil Quotations

Par Val.	Range 1938 High	Low	Company	Sales	Close Sept. 26 (or last)	High for week	Low for week	Close Oct. 3
No	.12	.06	Acme Gas & Oil	12,000	.07½	.10	.06	.09½
1	.37	.12½	Alta Pac. Cons.	500	.13	.15	.15	.15
1	.32	.13	Ajax	1,000	.18	.20	.15	.20
No	1.65	.95	Anglo C. Canadian	19,835	1.05	1.25	1.00	1.24
1	.15	.06	Anaconda	500	.09	.06	.06	.06
1	.16	.05	Br. Dominion	1,000	.06	.09	.09	.09
No	.68½	.20	Brown Oil	58,050	.22	.33	.20	.31
100	72.00	46.00	Do., pref.	30	65.00	68.00	68.00	68.00
No	3.10	1.55	Calgary & Ed.	29,600	1.85	2.20	1.56	2.17
1	.62	.19½	Calmont	7,650	.24	.29	.20	.27
No	.85	.50	Commoil	3,250	.60	.62	.60	.60
No	.43	.19	Common Pete	6,700	.19	.28	.20	.28
No	.70	.35	Dalhousie	2,900	.36	.42	.35	.42
No	.73	.20	Davies Pete	28,550	.23	.36	.21	.35
No	.15	.05	East Crest	5,900	.07	.09	.06	.09
25c.	.25	.11	Firestone Pete	2,600	.11	.13	.12	.13
No	.90	.30	Foothills	1,500	.35	.50	.40	.50
No	.22	.08	Foundation Pete	10,200	.12	.16	.10	.15
No	.35	.14	Hargal	......	(.23 bid .30 asked)			
No	.20	.05	High Sarcee	1,000	.08	.10	.08½	.08½
No	1.47	.80	Home	17,550	.88	1.19	.80	1.15
1	.37	.14	Homestead O. & G.	3,100	.16	.18	.14	.18
No	.27	.10	McD. Segur	100	.12	.10	.10	.10
No	.08	.04	Merland	6,000	.04	.06	.04	.06
1	.38	.18	Model	......	(.18 bid .25 asked)			
25c.	.20	.10	Monarch Royalties	3,100	.10½	.14	.10	.14
1	.20	.04	Nordon	1,100	.07	.10	.06	.10
No	.04½	.02	Oil Selections	4,700	.03	.03	.03	.03
No	2.30	.85	Okalta	18,425	.90	1.35	.97	1.29
No	.05⅞	.02	Olga Gas & Oil	143,100	.02	.05⅞	.02	.05⅛
1	.17	.04½	Pacalta	11,350	.04½	.07½	.04½	.06½
1	.50	.40	Petrol Oil & Gas.	......	(.30 bid .50 asked)			
25c.	.52	.20½	Prairie Royalties	7,100	.21	.29	.21	.28
No	49.00	32.50	Royalite	4,449	33.00	43.25	32.50	42.50
No	.75	.25	South West Pete	......	(.25 bid .40 asked)			
No	.10	.02	South End	......	(.02 bid .09 asked)			
1	.14	.14	Spooner	......	(.04½ bid .... asked)			
25c.	.25	.04	Spy Hill Royalties	......	(.02 bid .04 asked)			
No	1.68	1.05	Texas Can.	6,155	1.15	1.40	1.05	1.35
No	.26	.09	United Oils	9,100	.10	.14	.10	.14
No	1.25	.47	Vulcan	2,500	.55	.65	.47	.60
No	.34	.05	West Flank	2,750	.05	.07	.07	.07
50c.	.15	.07½	West Turner Pete	9,500	.08	.08½	.07½	.08½

Vancouver Stock Exchange

Par Val.	Range 1938 High	Low	Company	Sales	Close Sept. 26 (or last)	High for week	Low for week	Close Oct. 3
No	.21	.06½	Vidette Gold	......	(.05½ bid .... asked)			
50c.	.01	.00½	Waverley Tangier	......	(.00½ Sept. 13)			
20c.	.03½	.01½	Wellington	......	(.01½ bid .02 asked)			
50c.	.10½	.01	Wesko	2,000	.02	.01½	.01½	.01½
1	.02	.02	White Eagle	......	(.02 Mar. 16)			
1	.08½	.02	Whitewater	21,000	.04	.04½	.04	.04½

[illegible]

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Oct. 4, 1938

Public Utility Issues:	Int. Rate %	Due	Bid Oct. 4	Asked	Bid Sept. 27
†Assoc. Tel. & T.	5½	'55	76	79	68
Beauharnois P.	5	'73	88	91	89
B. C. Power	4½	'60	99	102	98½
B. C. Telephone	4½	'61	105	108	105
†Calgary Power	5	'60	99	102	97
Do.	5	'64	98½	101½	97
†Can. Nor. Pwr.	5	'53	103	106	102½
‡Dom. Gas & El.	6½	'45	84½	87½	79
‡Gatineau Pwr.	5	'56	103½	106½	102½
Gt. Lakes Pwr.	4½	'56	96½	99½	95
‡Inter. Hydro-E.	6	'44	76½	79½	67
▲Inter. Power	6	'55	100	103	99
†Macl'n-Que. Pr.	5½	'61	102	105	99
Do.	5½	'64	101½	104½	98
Mtl. L., H. & P.	3½	'56	100	103	99
Do.	3½	'73	95½	98½	93
†Mtl. Tramways	5	'41	98	101	96½
†Do.	5	'55	73	76	...
Nat. Lt. & Pwr.	6	'49	91	94	90
N. S. Lt. & Pr.	4	'57	99	102	98
‡Ottawa Light Heat & Pwr.	4	'57	99½	102½	98½
†Ottawa V. Pwr.	5½	'70	105½	108½	104½
†Power Corp.	4½	'59	99½	102½	96½
Quebec Power.	4	'62	96½	99½	95
§Saguenay Pr., A	4½	'66	103½	106½	101½
Do., B	4½	'66	103	106	101½
Shaw. W. & Pr.	4	'61	100	103	96
Union Gas	4½	'50	100	103	98½
Wpg. El. Ser. A	4	'65	61	64	53
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	63	66	46
Acadia Sugar	4½	'55	101	104	100½
†Alta. Pa. Grain	6	'46	88	91	86
Atlantic Sugar.	4	'51	99	102	98
B. A. Oil	4	'45	102½	105½	101½
†B. C. P. & Pap.	6	'50	82½	85½	81½
§Brown Co.	5½	'46	59½	62½	40
†Burns & Co.	5	'58	54	57	49
Canada Bread	6	'41	107	110	106½
Canada Cement	4½	'51	101½	104½	99½
Canada Paper	4½	'52	96½	99½	95
Can. Steamship	5	'57	82	85	73
Candn. Canners	4	'51	99	102	96
‡Can. Int. Paper	6	'49	97	100	95½
‡Candn. Vickers	6	'47	96	99	94½
C. P. R.	3½	'51	86½	90½	83½
Do.	4	'49	90	93	86½
Do.	4½	'44	94	97	90
Do.	6	'42	102½	105½	100½
Do., debs.	4 perp.		80	83	74
†Consol. Paper	5½	'61	51	54	37½
Dom. Coal	4½	'52	102	105	101
▲Dom. Stl. & C.	6½	'55	99	102	94
Dom. Tar	4½	'51	99	102	99
†Donnacona P.	4½	'56	72½	75½	68
Famous Players	4½	'51	96½	99½	94
†Federal Grain	6	'49	94	97	92
†Fraser Cos.	6	'50	98	101	95
Gen. Stl. Wares	4½	'52	94½	97½	93
‡Great Lakes P.	5	'55	89	92	84
†Gypsum, Lime.	5½	'48	96	99	92½
Ham. By-Pr. C.	5	'55	99	102	97
Inter-City Bak.	5½	'48	102	105	102
‡Inter. P. & P. Nfld.	4½	'68	99	102	98½
Lake St. John P. & P.	5½	'61	88	91	85
†Massey-Harris	5	'47	98	101	95
†McColl-Fron.	4½	'49	...	97½	100½
McCormick's	4	'52	81	84	77
‡M. & O. Paper	6	'45	36	39	26
Nat. Grocers	4	'47	100	...	100
†N.S. Stl. & C.	3½	'63	76½	79½	67
Price Bros.	5	'57	94½	97½	92
‡Prov. Paper	5½	'47	101	104	100
†Restigouche Co.	6	'48	95	98	93
Rolland Paper.	4½	'51	102	105	101½
Simpsons Ltd.	4½	'31	96½	99½	94
Smith, Howard	4½	'51	102	105	100
†Steel of Can.	6	'40	107½	110½	106
‡United Gas	5½	'48	102	105	100½
United Gr. Grs.	5	'48	90	93	87
†Western Gr.	6	'49	35	...	35

‡ Payable in Canada or U.S.
† Payable in Can., U.S. or U.K.
▲ Payable in Can. or U.K.
§ Payable in U.S. only.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Oct. 4, 1938

Industrial Stocks:	Bid	Asked
Acadia Sugar, pfd.	4.50	5.00
Acme Farmers Dairy, pfd.	16.50	....
Algoma Steel, com.	10.00	11.00
Do., pfd.	55.00	58.00
Andian National	39.50	41.50
Anglo Can. Tel., A	8.25	8.75
Barrymore Cloth, pfd.	17.00	24.00
B. C. Pulp & Paper, com.	*13.50	16.00
Do., pfd.	*49.00	54.50
Burns & Co., A	5.00	6.00
Do., B	2.25	2.75
Can. Wire & Cable, pfd.	95.00	98.00
Can. Airways	1.25	2.00
Can. Goodrich, com.	1.00	....
Can. Industries, A com.	214.00	....
Do., pfd.	163.00	167.00
Can. Ingersoll Rand	116.00	122.00
Can. Tube & Steel, com.	4.00	6.00
Do., 1st pfd.	61.00	67.00
Chase, A. W., pfd. bonus	25.50	27.00
Claude Neon, pfd.	4.50	5.50
Cons. Sales Book, pfd. bon.	79.00	....
Copeland Flour Units	4.75	6.50
Corrugated Paper Box, com.	1.25	2.50
Do., rts.	....	9.50
Dom. Manufacturers, com.	3.00	5.00
Do., pfd.	60.00	65.00
Dominion Woollens, pfd.	.75	1.10
Dunlop Tire, pfd. par $25	17.00	19.00
Easy Washing, pfd.	8.00	....
Federal Grain, com.	1.50	2.00
Do., pfd.	25.00	29.00
Goderich Elevator	6.25	7.00
Guelph Carpet, pfd.	100.00	103.75
Do., com.	16.50	18.50
Hayes Steel Prod., com.	6.50	7.50
Do., pfd.	7.50	8.75
Highland Dairy, pfd.	40.00	47.00
Kingston Shipbuild. Units.	9.00	10.50
Loblaw Inc., pfd. bonus	68.00	72.00
Morrison Brass, pfd. bonus	5.25	6.75
Morrow Screw, pfd. bonus	93.25	98.00
Neilson, Wm., com.	6.10	8.00
Do., pfd.	97.50	....
New Brunswick Tel., com.	12.00	13.00
New Method. Laund., pfd. bonus	50.00	55.00
Niag. Lower Arch Bridge, c.	67.00	....
Paterson, Wm., pref.	100.00	102.50
Provincial Paper, pfd.	101.00	102.50
Reliance Grain, pfd.	52.00	55.50
Robinson Cons. Cone	7.75	8.50
Ruddy, E. L., pfd.	24.00	26.00
Seal O Sac (Can.)	3.00	4.00
Standard Fuel, com.	2.00	4.00
Do., pfd.	53.00	57.00
Stedman Bros., pfd. par $50	53.50	56.00
Supertest Pete., B pfd.	26.50	29.00
Toronto Carpet, com.	28.50	32.00
Do., pfd.	55.00	59.00
United Farmers Co-op.	2.50	3.00
United Steel, A pfd.	17.00	18.50
Viceroy Mfg., pfd. & rts.	18.00	21.00
Western Grain, pfd. bonus	5.50	7.00
Western Steel Prod., com.	8.50	9.50
Weston (Geo.) Foods (Eng.)	4.00	....
Willards Choc., pfd.	37.50	42.00
Trusts and Loan Stocks:		
British Mortgage	138.50	142.00
Commercial Finance, com.	2.70	3.00
Guelph & Ont. Inv., par $50	52.50	55.00
London & West. Trust	33.00	40.00
Premier Trust	....	110.00
Sherbrooke Trust	120.00	....
Sterling Trust	43.00	48.00
Traders Fin., A com.	13.75	15.50
Do., A pfd.	81.00	85.00
Do., A 6% pfd. W.R.	90.00	96.00
Do., B 7% pfd. W.R.	92.00	97.00
Trusts & Guarantee	25.00	28.00
Insurance Stocks:		
Canada Life	480.00	505.00
Canadian Ins. Shares	19.00	21.00
Confed. Life 25% pd.	135.00	....
Continental Life	32.50	....
Crown Life Fully Pd.	205.00	....
Dominion Fire Ins.	130.00	....
Dom. of Can. Gen.	106.00	112.00
Empire Life 25% pd.	10.00	11.00
Federal Fire 25% pd.	45.50	....
Great West Life	290.00	310.00
Halifax Fire	22.00	23.50
Imperial Life	315.00	335.00
Manufacturers Life	235.00	250.00
Monarch Life 10% pd.	24.00	26.00
Sovereign Life 25% pd.	12.00	13.75
Sun Life Assce.	430.00	450.00
Toronto General	5.25	6.00
Western Assce., pfd.	40.50	43.00
Do., com.	48.00	52.00
Theatre Stocks:		
Allens Kingston, pfd.	62.00	66.00
Do., London, pfd.	53.00	57.00
Do., St. Catharines, pfd.	61.00	65.00
Do., Tor., pfd. bonus c.	32.50	....
Mansfield Theatre, pfd.	22.00	28.00
Paramount Kitchener, pfd.	47.00	50.00
Do., Oshawa, pfd.	87.50	90.00
United Amusement, A	12.00	16.00
Do., B	12.00	16.00
Investment Trust Shares:		
Can. Invest. Fund	3.95	4.30
Can. Investors	5.25	6.50
Lon. Can. Inv., com.	2.25	4.75
Do., pfd.	31.50	37.00
Sec's. Hold. Corp., pfd. bon.	16.00	18.00
United Corp., A	18.00	20.00
Do., B	8.50	10.50
Power Issues:		
Calgary Power, pfd.	89.50	92.00
Can. West. Nat. Gas, com.	23.00	27.00
Do., pfd.	91.00	93.00
Great Lakes Power, pfd.	98.00	102.50
Inter. Util., $1.75 pfd.	7.50	8.50
Do., $7 pfd.	85.00	89.00
Montreal Island Pwr., pfd.	18.00	20.00
Northern Ont. Power, pfd.	97.00	100.00

Winnipeg Stocks

(Transactions from Sept. 26 to Oct. 1)

	Sales	High for period	Low for period	Close Oct. 1
Bailor Gold	1,000	.01½	.01½	.01½
Central Man.	6,200	.04½	.03	.04½
Flin Flon	34,100	.03½	.02½	.03
Gurney Gold	12,300	.10	.07	.10
Gold Lake	500	.02	.02	.02
Gt. Falls M.	1,300	.06	.05	.05
Ore Grande	8,500	.03	.02⅞	.03
Rand Malartic	100	.20	.20	.20
Rice Lake	2,000	.00½	.00½	.00½
Shenango	100	.15½	.15½	.15½
Sachigo R.	175	16.50	12.50	16.50
Star Lake	65,600	.02½	.01½	.01⅞
United Grain	3	7.00	7.00	7.00
West. Steel	20	9.00	9.00	9.00
Wingold	7,600	.03½	.03	.03½
West. Grain, pf.	25	6.00	6.00	6.00
Wallace Lake	500	.01	.01	.01

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire Insurance	...	100
Can. Indemnity	125	...
Can. Airways	...	3½
Cres. Cream., pf.	...	12
Home Investment	...	20
Nor. Mtge., part pd.	2	...
Nor. Can. Mtge., p.	3	...
Traders Bldg.	...	82
Western Brew.	1½	2¼

*Stocks more active on other exchanges not included.

Municipal Bonds

Oct. 4, 1938

†Halifax	5	1961	112.00	114.00	4.06
Hamilton	5	1950	108.00	109.50	4.00
Montreal	5	1945	104.00	106.00	3.93
Ottawa	4½	1945	108.25	109.75	2.90
†Quebec	5	1959	105.50	107.50	4.45
Saint John	5	1950	106.00	108.00	4.17
†Toronto	4½	1955	112.50	114.50	3.35
†Vancouver	5	1950	85.00	88.00	6.50
Winnipeg	5	1944	96.00	100.00	5.00

†Payable Can. and N.Y.

Investment Trusts

	Bid	Asked
Can. Amer. Trust	3.20	3.70
Can. Inv. Fund	3.95	4.30
All Can. Trustee	12.00	12.50
Trans-Canada	12.00	12.85
Grouped Income	4.80	5.40
Can. Int. Tr. modified	4.50	5.25
Do., unmodified	4.00	4.75

Stock Sales

	Montreal Markets Indust.	Mines	Toronto Markets Ind. & Mines
Oct. 4	29,300	113,400	807,000
Oct. 3	40,300	108,700	1,046,000
Oct. 1	27,900	63,800	693,000
Sept. 30	88,400	165,900	1,920,000
Sept. 29	60,500	105,600	1,219,000
Sept. 28	56,200	82,500	988,000

Public Utility Earnings

Canada Northern Power

August

	1938 $	1937 $
Gross income	428,032	418,182
Oper. expenses	189,386	172,762
Net earnings	238,646	245,420
8 Months Ended August		
Gross income	3,372,938	3,256,732
Oper. expenses	1,501,967	1,341,108
Net earnings	1,870,981	1,915,632

Unlisted Mines

TORONTO

October 4, 1938

	Bid	Ask		Bid	Ask		Bid	Ask
Addington	.15	.16	Hiawatha	.95	1.10	Plains P.	.75	1.00
Albany R.	.23	.25	Hutch L.	.02½	.03½	Planet	.02½	.03
Algoma S.	.20	.23	Hugh P. P.	.10½	.12	Pont Rou.	.18	.20
Amorada	.02	.04	Keora	.02½	.03	Pelangio	.04½	.05½
Arjon	.02½	.03½	Kaw Crow	.02½	.03	Polaris	.30	.32
Armistice	.03	.04	Kenricia	.27	.30	Prop'ary	1.90	1.95
Argosy	.04½	.05	Kewagam	.18	.19	Presdor	.05	.06
Arno	.01	.01⅞	Kirvit	.02½	.03	Queb. M.	.15	.17
Athona	.05½	.06	Kirk. Gate	.11	.13	Rand Mal.	.23	.25
Area	.14½	.15	Kirk Hunt	.01½	.02	New Ribago	.04	.04½
Barb Lar.	.19	.20	Lacoma	.03	.03½	Rajah	.02½	.03
Big Master	.02	.03	Lafayette	.00⅞	.01½	Red L. G.	.02	.02½
Bilmac	.07½	.09	Lk. Dufau	.95	.97	Rhyolite	.10	.11
Baldwin	.01½	.01⅞	Lk. Geneva	.15	.17	Richrock	.06	.07
Buff Bea	..	.14	Lake Rose	.06	.08	Ronda	.15	.18
Cuniptau	.04½	.05	Lamaque	6.30	6.75	Rouyn R.	.02	.03
Cald Bou.	.03½	.04	Lardego	.04	.05	Rubec	.01⅞	.02
Camlaren	.13	.15	Lucky K.	.03½	.04	Sach R.	20.00	20.50
Can. Pand.	.04	.04½	Magnet L.	.09	.11	Shenango	.27½	.29
Can. Kirk.	.01	.01½	Magnet C.	.45	.50	Sheldon	.09	.10
Cap Rouyn	.03	.03½	Manco	.01⅞	.02	Silver V.	.04½	.05½
Cent Man.	.04	.04⅞	Martin B.	.15½	.16½	Siscoe Ex.	.06½	.07½
Cheminis	.06½	.07	Mat. Can.	.05½	.06½	Smelter	.04	.04½
Coin Lake	.02	.04	Moffatt Hall (new)	.05	.06	So. Vermil.	.04	.05
Crowshor	.11½	.13½	McF L. L.	.02½	.02½	Spooner	.04⅞	.05½
Cont. Kirk.	.14	.16	McC. Webb	.06½	.08	Sturg. R.	.19	.22
Dawson	.02⅞	.03½	McV. Kirk.	.02½	.02⅞	Sunbeam	.32	.35
Delandore	.04	.06	Monarch	.02	.02½	Sunbear	.02½	.03
Desantis new)	.23	.26	Mosher	.21	.21½	Surf. Inlet	.12	.15
Doreva	.05½	.06½	Mooshla	.05	.06	Springer	.07	.08
Devon	.22½	.25	Norlake	.03	.04	Tonawanda	.03½	.04
Dunlop (new)	.02	.02⅞	Norbeau	.86	.91	Up Cana	.67	.68
Elmos	.29	.32	Negus	.65	.72	Virita	.04	.04½
Frontier	.04	.06	No Shores	.01⅞	.02½	Williamson	.02	.03
Gate Pat	.02½	.03	Oklend	.21	.22	Wesley	.05½	.06
Gilbec	.01½	.02	O'L Mal.	.03½	.04	Wells L. L.	.10	.12
Goldside	.01	.01½	Opemiska	.10	.13	Westside	.02	.03
Gold Gate	.50	.52	Oriole	.04½	.04⅞	Westwood	.06	.06½
Gold Trin.	.07	.09	Ossian	.04	.04½	White H.	.03½	.04
Gord Lebel	.03⅞	.04½	Pascalis	.38	.40	Winoga	.05	.14
Halnor	9.50	..	Porc. Lk.	.09½	.11	Woco	.12	.13½
Halliwell	.04	.04½	Porc. McN.	.02½	.02⅞	Young D.	.23	.25
Hislop	.03½	.04½				Young Sh.	.03	.04

MONTREAL

October 4, 1938

	Bid	Ask.		Bid	Ask.		Bid	Ask.
Abbeyville	.11	.13	Dorval Units	..	8.00	Obalski	.07	.08
Amity	..	.01½	Lake Rowan	.06½	.08	Pan. Canadian.	.09	.10
Brown Cadillac	.01	.02	L. L. Lagoon	.03½	.05	Routhier Cad.	.03½	.05
Chibmac	.02	.02½	Leroy	.01½	.02	Valdor Min.	1.10	1.20
Cournor	..	.20	Margaret	..	.10	Warrenmac	.07	.10
Dempsey Cad.	..	.04						

Government Bonds

(Supplied by Investment Dealers' Association of Canada)

Dominion of Canada Bonds

	Oct. 5, 1938	Bid	Asked	Approx. Yld.
▲3	1 Jan. '39	100.50	101.25	...
1	1 June '39	99.75	100.50	.25
2	15 Nov. '39	100.75	101.60	.65
2½	15 Oct. '39	101.00	101.75	.87
4	15 Oct. '39	102.50	103.25	.97
1½	1 June '40	100.00	100.75	1.05
4½	1 Sept. '40	104.75	105.50	1.57
1	15 Mar. '41	98.75	99.50	1.20
5	15 Nov. '41	108.50	109.25	1.93
2	1 June '42	100.50	101.25	1.65
5	15 Oct. '42	103.75	104.50	1.88
2¾	1 June '43	102.25	103.00	1.82
5	15 Oct. '43	111.75	112.50	2.37
2	1 June '44	98.75	99.50	2.09
▲2¾	15 Jan. '44	101.50	102.25	▲1.71
4½	15 Oct. '44	110.25	111.25	2.49
2¾	15 Nov. '44	100.75	101.75	2.19
▲2¾	15 Aug. '45	102.37	103.12	▲1.83
4	15 Oct. '45	106.75	107.50	▲2.40
4½	1 Feb. '46	110.25	111.25	2.79
3¾	1 June '49	101.25	102.25	▲2.92
3½	15 Oct. '49	102.25	103.25	▲2.91
3¾	15 Nov. '51	100.75	101.75	▲3.05
▲3	1 May '52	111.62	112.37	▲1.44
4	15 Oct. '52	106.75	107.50	▲3.08
3	1 June '55	97.75	98.75	3.09
4½	1 Nov. '56	110.00	111.00	▲3.02
4½	1 Nov. '57	110.25	111.25	▲3.12
3	1 June '58	96.75	97.75	3.15
4½	1 Nov. '58	110.75	111.75	▲3.18
4½	1 Nov. '59	111.25	112.25	▲3.17
▲4	1 Oct. '60	109.50	110.25	▲2.98
▲3½	15 Jan. '61	102.62	103.37	▲3.00
3¼	1 June '66	99.00	100.00	3.25
▲3	15 Jan. '67	98.62	99.37	3.03
▲3	Perp. bonds	89.50	90.50	3.31
	Dominion Guaranteed Bonds			
	Canadian National Railway:			
3	15 Jan. '42	100.25	101.25	1.61
3	15 Feb. '43	99.50	100.50	1.88
3	1 May '44	102.75	103.75	2.27
3	15 Dec. '50	97.75	98.75	3.12
3	15 Feb. '53	97.50	98.50	3.13
*4½	1 Sept. '51	113.75	114.75	3.11
*4½	1 Feb. '56	114.50	115.50	3.32
†4½	1 July '57	114.00	115.00	3.42
*4¾	15 June '55	117.00	118.00	3.35
5	1 Feb. '54	117.50	118.50	3.45
*5	1 July '69	116.25	117.25	▲2.57
*5	1 Oct. '69	119.00	120.00	▲3.21
	Provincial Government Bonds			
	New Brunswick:			
3	15 Oct. '51	90.00	92.00	3.79
3½	15 June '56	92.50	94.50	3.92
†4	15 Nov. '47	100.00	102.00	▲3.68
†4½	15 Apr. '61	102.50	104.50	4.19
†5	15 Jan. '60	108.00	110.00	4.28
	Nova Scotia:			
3	2 Jan. '52	94.00	96.00	3.37
3¼	1 June '56	97.00	99.00	3.32
3½	15 Dec. '49	99.50	101.50	3.34
†4½	15 Sept. '52	108.00	110.00	▲3.21
†4½	15 Nov. '60	109.50	111.50	3.73
†5	1 Mar. '60	116.00	118.00	3.77
	Ontario:			
2½	15 May '45	100.75	101.75	2.21
3	1 Dec. '51	98.00	99.00	3.09
3¼	15 Nov. '51	100.00	101.00	▲3.15
*4	1 June '62	107.00	108.00	3.50
4½	1 June '50	111.00	112.00	3.28
*4½	15 Jan. '62	115.00	116.00	3.50
5	15 Oct. '48	115.00	116.00	3.12
*5	2 Dec. '60	121.00	123.00	3.52
5½	1 July '46	115.75	116.75	3.05
	Ont. Hydro Comm.:			
3	1 Aug. '48	98.00	99.00	3.12
3¼	1 Feb. '53	99.50	100.50	▲3.20
3½	1 Apr. '47	102.50	103.50	3.02
	Prince Edward Island:			
3	1 Oct. '45	98.00	100.00	3.00
	Quebec:			
3	1 Nov. '51	96.00	98.00	3.18
3¼	1 Mar. '48	98.00	100.00	3.25
3½	1 June '52	97.00	99.00	3.34
4	15 Mar. '52	104.50	106.50	3.40
4½	1 Aug. '58	108.00	110.00	3.55
4½	2 Jan. '63	110.00	112.00	3.75
	Alberta:			
4	15 Dec. '54	54.25	58.25	‡
4½	1 Oct. '51	59.50	63.50	‡
†4½	1 Oct. '56	56.50	60.50	‡
*5	1 Oct. '59	59.00	63.00	‡
†5½	1 Apr. '52	60.00	64.00	‡
6	1 Mar. '47	62.00	66.00	‡
	British Columbia:			
†4	1 Dec. '57	88.50	91.50	4.67
*4½	15 Jan. '51	95.00	98.00	4.71
†4½	1 Oct. '53	94.25	97.25	4.76
†5	25 Apr. '54	99.00	102.00	4.82
5½	1 Feb. '45	100.50	103.50	4.85
6	15 Feb. '47	102.25	105.25	5.21
	Manitoba:			
†4	1 Dec. '57	83.50	87.50	5.01
†4½	15 Dec. '56	87.00	91.00	5.27
*5	2 Dec. '59	94.00	98.00	5.15
5½	1 Oct. '55	96.00	100.50	5.45
6	1 Apr. '47	99.00	103.00	5.55
	Saskatchewan:			
4	1 Nov. '60	69.00	73.00	6.25
†4½	1 Oct. '51	79.00	83.00	6.45
†4½	15 Mar. '60	73.00	77.00	6.50
5	1 Aug. '58	78.50	82.50	6.58
5½	1 Oct. '52	83.00	87.00	6.97
6	15 Mar. '52	86.50	90.50	7.10

*Payable Can., N.Y., & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ▪Payable N.Y. ↓Callable on or after Sept. 15, 1936. ‡Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%.

Dividends Declared

	This payment	Date payable	Date of record
Brant. Cordage, p.	32½c	Oct. 15	Sept. 20
Bell Tel., c.	$2	Oct. 15	Sept. 23
Bralorne Mines	15c	Oct. 15	Sept. 30
Do., extra	10c	Oct. 15	Sept. 30
B. C. Power, A	50c	Oct. 15	Sept. 30
Beatty Bros., 1st pf.	$1.50	Nov. 1	Oct. 15
Buffalo Ank.	25c	Nov. 15	Nov. 1
B. C. Tele., 2nd pf.	$1.50	Nov. 1	Oct. 17
Can. Fairbanks, pf.	$1.50	Oct. 15	Sept. 30
Can. Car & F. pf.	43c	Oct. 10	Sept. 26
Commercial Alcohols pf.	10c	Oct. 15	Oct. 1
Can. Nor. Pwr.	30c	Oct. 25	Sept. 30
Do., pref.	$1.75	Oct. 15	Sept. 30
Can. Indust., pf.	$1.75	Oct. 15	Sept. 30
Do., A & B	$1.25	Oct. 31	Sept. 30
Cosmos Imp., pf.	$1.25	Oct. 15	Sept. 30
Can. Gen. Invest.	12½c	Oct. 15	Sept. 30
Can. Breweries, pf.	50c	Oct. 15	Oct. 5
Can. Bk. of Comm.	$2	Nov. 1	Sept. 30
Can. Bronze	37½c	Nov. 1	Oct. 20
Do., pref.	$1.25	Nov. 1	Oct. 20
Dome Mines	50c	Oct. 20	Sept. 30
Calgary & Edm.	8c	Dec. 15	Nov. 15
Dom. Textile, pf.	$1.75	Oct. 15	Sept. 30
Dominion Tar, p.	$1.37½	Nov. 1	Oct. 12
Guar. of N. Amer.	$1.50	Oct. 15	Sept. 30
Do., extra	$2.50	Oct. 15	Sept. 30
Gt. Lakes Pwr., pf.	$1.75	Oct. 15	Sept. 30
Hollinger Cons.	5c	Oct. 7	Sept. 23
Do., extra	5c	Oct. 7	Sept. 23
Imperial Bank	$2.50	Nov. 1	Sept. 30
Int. Milling, pf.	$1.25	Oct. 15	Oct. 1
Inter. Bronze	37½c	Oct. 15	Sept. 30
Do., pref.	37½c	Oct. 15	Sept. 30
Inter. Nickel, pfd.	$1.75	Nov. 1	Oct. 4
Invest. Found., pf.	75c	Oct. 15	Sept. 30
Koot. Belle	4c	Oct. 22	Oct. 15
Do., extra	1c	Oct. 22	Oct. 15
Maple L. Gardens, p.	70c	Oct. 15	Oct. 4
Montreal Tele.	80c	Oct. 15	Sept. 30
Mtl. L. H. & Pr.	37c	Oct. 31	Sept. 30
McColl-Fron. P.	$1.50	Oct. 15	Sept. 30
Maritime Tel.	17½c	Oct. 15	Sept. 20
Do., pref.	17½c	Oct. 15	Sept. 20
Montreal Trams	$2.25	Oct. 15	Oct. 4
N. B. Telephone	12½c	Oct. 15	Sept. 30
Nat. Biscuit	40c	Oct. 15	Sept. 16
N. S. Trust	$3.50	Oct. 15	Sept. 30
Nat. Steel Car	50c	Oct. 15	Sept. 30
North. Ont. Pr., p.	$1.50	Oct. 25	Sept. 30
Do., com.	75c	Oct. 25	Sept. 30
Orange Crush, pf.	35c	Nov. 1	Oct. 15
Penmans	75c	Nov. 15	Nov. 5
Do., pref.	$1.50	Nov. 1	Oct. 21
Pamour Porc.	▲12½c	Nov. 1	Oct. 14
Premier Gold	3c	Oct. 15	Sept. 16
Power Corp., 1st pf.	$1.50	Oct. 15	Sept. 30
Do., 2nd pfd.	75c	Oct. 15	Sept. 30
Saguenay Pr., pf.	$1.37½	Nov. 1	Oct. 14
San Antonio G.	7c	Nov. 5	Oct. 20
Sec. Std. Rylts., p.	1c	Nov. 1	Oct. 15
Silbak Prem.	4c	Oct. 25	Oct. 5
Steel of Can.	43¾c	Nov. 1	Oct. 7
Do., pref.	43¾c	Nov. 1	Oct. 7
Sunset Oils	2½c	Oct. 15	Sept. 30
Sheep Creek G.	3c	Oct. 15	Sept. 30
South. Can. Pr., p.	$1.50	Oct. 15	Sept. 20
Smith, How., pf.	$1.50	Oct. 15	Sept. 30
Toburn Gold	2c	Nov. 22	Oct. 21
Do., extra	2c	Nov. 22	Oct. 21
Tuckett Tob., pf.	$1.75	Oct. 15	Sept. 30
United Bond & S.	20c	Oct. 15	Sept. 30
Walkerville Brew.	2½c	Oct. 15	Oct. 5

▲Initial.

Public Utility Earnings

Jamaica Public Service
August

	1938 $	1937 $
Operating revenues	77,455	71,813
Gross income after retirement accruals	22,844	22,689
Net income	14,516	13,807
12 Months Ended August 31		
Operating revenues	925,610	878,745
Gross income after retirement accruals	*288,047	275,130
Net income	*185,146	170,796

*Adjusted for increased Jamaican income tax. The above figures translated from £ Sterling at the rate of $4.86⅔ to the £.

Canada Would Be Sacrificed In Any World Wheat Cartel

The Canadian wheat growers' interests would be sacrificed, not helped, and overseas buyers would be antagonized, if this country joined any international wheat cartel to control production, Major H. G. L. Strange of the Searle Grain Co. told a Canadian radio audience over the C. B. C. National Forum last week. The opposite stand was taken by W. A. McLeod of the Canadian Wheat Pool.

Reproduced below are the main reasons advanced by Major Strange against Canadian participation in any agreement of this kind.

Many attempts have been made since the late war to raise price by controlling the production and supplies of certain commodities, such as tin, rubber, cotton, zinc and coffee. Not one of these plans that I can find has ever worked out to benefit the producer. Great surpluses usually developed which ended in pressing down the price lower than otherwise it would have been. Sometimes the surpluses had to be destroyed. You remember spectacular burnings of coffee in Brazil, destruction of cotton and pigs in United States.

One can say truly that these national cartels in the past have really resulted in production for destruction instead of consumption.

If cartels and monopolies set up with products that are usually grown in only a few countries, failed dismally, what hope could there possibly be for the successful control of a product such as wheat that can be and is grown in almost every country in the world.

Would Hurt Canada

Canada produces admittedly the highest quality wheat in the world. Why should Canada sit down at a table and agree to withdraw from markets so as to give the right of way to other countries that admittedly produce an inferior quality of wheat? An electric company does not voluntarily reduce the volume of its production of electricity so that more gas lamps and more kerosene lamps might be sold.

Wheat means so much to the farmers on our prairies. Because of the limited rainfall they have hardly any alternative way of earning a living. But the farmers of each one of the other great wheat exporting countries can easily grow and sell other products to make a living. Australian farmers produce much wool and mutton; Argentine farmers large quantities of flax, beef, hides and corn; Russia really needs all her wheat to feed properly her own people.

Depend on Wheat

The Danubian countries export quantities of corn, hogs, barley and other products. The United States farmers have a large market of 130 million people to supply, large numbers of whom are badly in need of more foodstuffs. Western Canadian farmers, alone, depend almost exclusively on wheat production for they have no other way of putting to use effectively and profitably the acres that would certainly be taken out of production by the proposed world wheat cartel. And that is the bald, harsh, cruel truth.

I believe there is a better way of meeting the situation. The League of Nations, and Sir John Orr, the world's greatest expert on human nutrition, tell us that over 50% of the people of Great Britain, France, Germany, Italy, and all other European countries, are badly undernourished. They need more and better bread . . . more of all kinds of foodstuffs that our farmers can supply.

Our prairie farmers need more . . . much more . . . of the manufactured goods and products that European industrial workers are skilled in making. Our farmers and the European workers would be glad to exchange with each other their wheat and their goods.

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 207

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st October, 1938, and that the same will be payable at the Bank and its Branches on and after Tuesday, 1st November next, to shareholders of record at the close of business on 30th September, 1938. The Transfer Books will not be closed.

By Order of the Board,
A. E. ARSCOTT,
General Manager.
Toronto, 23rd September, 1938.

Imperial Bank of Canada

DIVIDEND NO. 193.

Notice is hereby given that a Dividend of two and one-half per cent (2½%) has been declared for the quarter ending the 31st October, 1938, payable at the Head Office and Branches on and after Tuesday, the 1st day of November next, to shareholders of record of 30th September, 1938.

By order of the Board,
H. T. JAFFRAY,
General Manager.
Toronto, 21st September, 1938.

Canadian Bronze Company, Limited

DIVIDEND NOTICE.

THE quarterly Dividend of 1¼%, on the PREFERRED STOCK of CANADIAN BRONZE COMPANY, LIMITED, has been declared payable the 1st day of November, 1938, to Stockholders of record as of the 20th day of October, 1938.

Also a quarterly dividend of Thirty-seven and one-half (37½c) Cents per Share has been declared on the present outstanding COMMON STOCK of CANADIAN BRONZE COMPANY, LIMITED, for the three months ending October 31st, 1938. Payable the 1st day of November, 1938, to Stockholders of record as of the 20th day of October, 1938.

By Order of the Board,
W. C. PAQUETTE,
Secretary.
Montreal, P.Q.,
September 30th, 1938.

Penmans Limited

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of October, 1938.

On the Preferred Stock, one and one-half per cent. (1½%), payable on the 1st day of November to Shareholders of record of the 21st day of October, 1938.

On the Common Stock, seventy-five cents (75c.) per share, payable on the 15th day of November to Shareholders of record of the 5th day of November, 1938.

By Order of the Board.
C. B. ROBINSON,
Secretary-Treasurer.
Montreal,
September 26, 1938.

Orange Crush Limited

NOTICE is hereby given that a dividend of thirty-five cents (35c) has been declared on the outstanding, no par value, preferred shares of the company for the six months ending October 31st, 1938.

The above dividend is payable in Canadian funds, November 1st, 1938, to shareholders of record at the close of business on the 15th day of October, 1938.

By order
R. G. McMULLEN,
Secretary.
Dated at Toronto, September 30th, 1938.

CANADIAN BREWERIES LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of fifty cents (50c) per share on the Cumulative Sinking Fund Convertible Preference Shares of the Company has been declared, payable on the 15th day of October, 1938, to shareholders of record at the close of business on the 5th day of October, 1938.

By order of the Board.
W. C. BUTLER,
Secretary.
Toronto, Ontario,
September 29, 1938.

A. J. PATTISON JR. & CO. Ltd.
Established 1907
CORPORATION SECURITIES
Royal Bank — EL. 5101
TORONTO

Waite Drills Extend Zone

Hole 22 Gives Brilliant Assay Results — No. 23 Hole Lower

Excellent drill results in locations indicating important extension of ore reserves are reported by Waite Amulet.

Hole 22, the most easterly hole along the east-west top line of drill holes and 150 feet west of the east boundary, has been completed at 1,100 ft. Drill gave 219 feet of ore running 12.6% copper and $5.60 of gold. It is understood that gold showings in this hole were frequently spectacular and that the $5.60 is a very conservative averaging out.

Hole 23 located some 100 feet west and south of hole 22 has given 165 feet of ore in the 735-950 foot zone. It runs 3% copper. Gold assays here have not yet been completed.

Hole 24 located 100 feet south of 23 and about 50 feet east is now drilling in massive sulphide at 695 feet. Significant fact here is that the interesting zone has been contacted much higher than in any other holes.

Holes 25 and 26 are started in the area closer to the eastern boundary and south of Hole 24.

Plans for turning this major ore body into a producer are under way and contrary to some reports, it is reliably understood that this development will cost something under $1 million.

Plans to Drill For Salt Beds

From Our Own Correspondent

WINNIPEG.—Northern Salt Syndicate, located on salt springs at Dawson Bay on Lake Winnipegosis, a short distance from the Mafeking-The Pas highway, commenced operations Oct. 1. A wire from the property said: "Steam up. Everything working smoothly. Plant in operation." The production from the salt springs is a prelude to a programme of drilling to be undertaken in an effort to locate underlying salt beds.

Northern Electric Co. Names New Treasurer

From Our Own Correspondent

MONTREAL.—W. E. McBain has been appointed secretary-treasurer of the Northern Electric Co. He succeeds Clement Say, who has resigned after 35 years service with the Imperial Wire & Cable Co. and the Northern Electric Co.

THE DOMINION LIFE ASSURANCE COMPANY
SOMETHING SHOULD BE DONE ABOUT A MAN'S WIDOW — BEFORE SHE BECOMES A WIDOW.
ESTABLISHED 1889 — HEAD OFFICE — WATERLOO ONTARIO

VICE-PRESIDENT

Frederick J. Crawford, of the firm of F. J. Crawford & Co., has been elected vice-president of The Toronto Stock Exchange, to fill the vacancy caused by the death of Manning W. Doherty. H. M. Chisholm has been elected to the management committee.

Higher Rates Benefit C.S.L.

Grain Board Fixes Lake Rate at Seven Cents — Highest in Years

From Our Own Correspondent

MONTREAL. — In view of the heavy wheat movement from the head-of-the-lakes to St. Lawrence ports there are bright prospects of higher earnings for Canada Steamship Lines.

As was pointed out in the last issue of The Financial Post, earnings of Canada Steamships in the current year to date are below the same period of 1937. However, final results will depend on the grain movement. Present indications are results in the latter part of the year may more than offset the decline to date.

There are two reasons for the improved outlook for the last two months of the current shipping season, namely, higher rates and increased movement of grain. Last year, because of the poor crop in western Canada, wheat shipments were small. This year, the crop is much larger, and a heavy movement to St. Lawrence ports is indicated.

Maximum Rate Fixed

Demand for boat space has been so heavy that water freight rates have advanced steadily in recent weeks. In fact, the advance was so sharp that the Canadian Board of Grain Commissioners finally stepped in and fixed a maximum rate of seven cents a bushel on wheat shipped from the head-of-the-lakes to St. Lawrence ports. The board has authority to establish rates under Section 5 of the Inland Water Freight Act.

Previous to the establishment of the maximum rate by the Board of Grain Commissioners, the shipping companies had raised the rate to 7½ cents a bushel, the highest since 1928. Some firms even asked eight cents a bushel. And some charters, it is stated, were actually made at this rate.

Since the prevailing rate at this time last year was only five cents a bushel substantial benefit will accrue to Canada Steamships if the higher rates are mantained for the balance of the season.

Commodities

Commodity prices are quickly returning to the trends prevailing before the recent war scare.

Wheat has tumbled back to around 60 cents, sugar has dropped. The world is convinced apparently that there are abundant reserves of these two things under normal peaceful conditions.

Industrial commodities, however, have resumed their advance with cotton and copper firm, rubber, silk and hides higher.

These trends are expected to be continued for some months—most industrial commodities firm or higher; most foodstuffs steady or weak.

Price Range

	Latest week	Previous week	Same week last yr.
Cattle	$6.65	$6.25	$9.25
Hogs	9.25	9.75	10.85
Copper, lb.	.10⅛	.10⅛	.13
Cotton, lb.	.0825	.0825	.0847
Rubber, lb.	.1682	.1606	.1775
Sugar, raw, lb.	.0299	.03	.0320
Silk, lb.	1.81	1.78	1.77
Wheat, Man. (bus.)	.67⅞	.69½	1.42¾
Coffee, lb.	.05½	.05½	.09¼
Hides	.11¼	.11	.15¼
Weekly Indices			
Canada (D.B.S.)	74.4	74.5	85.0
Do., Wood, Gundy	55.9	55.6	77.9
U. S. Labor	78.4	78.3	87.5
Dow Jones (future)	47.46	47.59	60.29
Crumps (Brit.)	72.4	71.9	81.7
Fisher's	80.4	80.8	90.7

Monthly Indices

	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (Aug.)	84.9	84.2	83.7
W'sale (Aug.)	76.0	78.6	85.6
U. S. (July)	78.8	78.3	87.9
Gt. Brit. (July)	100.6	100.7	111.5

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto: Copper-electrolytic, New York: Silk — Japanese, 13-15 New York: Sugar — 96 degrees centrifugal c/f New York: Wheat — No. 1 Manitoba North, Ft. William — Pt. A. Basis: Hides — No. 1 packer light.

FRED L. MYERS & SON
"The Sugar Wharf," Kingston, Jamaica, B. W. I.
HEADQUARTERS FOR JAMAICAN PRODUCE
Serving Importers Since 1879

Week in Wheat

All War Scare Gains Speedily Evaporate

Liquidation of Recent Accumulations and Lack of Overseas Demand Put Bears in Control of Wheat Market

From Our Own Correspondent

WINNIPEG.—The bearish trend of the wheat market, resumed as soon as the European war scare faded, carried prices below the 60 cent level. Lack of overseas buying and liquidation of recent scare accumulations, were responsible.

United States subsidized exporting seems to have been carried on regardless of market ups and downs and recently France has been offering the same sort of cut rate service. Russian offerings have been small.

So far the market seems to be dubious of good yields in the Argentine and Australia although there is still plenty of time for improvement in both countries. There has been frost damage in the former and some drought in Australia.

Comparatively small deliveries have been made on the October future, these appear to consist altogether of Garnet wheat, the only deliverable grade to be on a delivery spread basis, and the same grain has probably been redelivered several times. Durum wheat, which is not deliverable on the contract, has been selling at close to 43 cents a bushel, or 26 cents below the price paid for it by the Wheat Board. Current Government loss on No. 1 Nor. is 20 cents a bushel.

Europe May Boost Imports

Far-reaching effects on international grain trade are possible from the recent map making changes in Europe. If to the atmosphere of war preparation there succeeds one of preparation for peace, various countries, and most importantly Germany and Italy, may develop a greater willingness as well as a greater ability to import needed foods.

At the same time there may be an important switch in production efforts to foods other than wheat, and an attempt made to allow different populations to have access to a more varied diet, especially one containing more meat, butter and eggs. Such would mean smaller domestic production of wheat, and additional imports presumably could be paid for through some diversion of available foreign exchange now used mainly to secure munitions of war.

The addition of the Austrians and Sudeten Germans to the population of Germany means a great increase in the requirements of imported foods, since the populations in question have not been producing all their own food.

The areas lost to Czechoslovakia are mining and industrial areas, the food for which has been largely produced in the agricultural area remaining, mostly inhabited by Czech peasants.

• • •

Czechs May Cut Acreage

Czechoslovakia has pursued a somewhat extravagant wheat policy. A national monopoly has held up the price of wheat to a nominal equivalent of about $1.65 per bushel, a price which, in purchasing power, considering the relative cheapness of labor and of manufactures, would be equal to at least $2.50 in Canada. This both enlarged production and reduced consumption of wheat, so that the grain monopoly, in order to keep up prices, had to force export of about eight million bushels anually.

It seems probable that this policy which must have put a double strain on the industrial areas, in high priced food, and tax burdens, had some bearing on the economic strain felt by the Sudeten Germans, and their insistence on a change in their status. Now, with three millions of an industrial population lost, it would seem impracticable for the country to continue to subsidize wheat growing to the same extent as formerly. Under these circumstances, Czech production of wheat would seem likely to be reduced, as well as domestic consumption per capita to be increased by lower prices.

The Sudeten Germans, once incorporated in the Reich, will not find food cheaper, but dearer unless Germany, with a much enlarged population, chooses to relax her duties and her restrictions on the importation of food.

• • •

U. S. Wheat Acreage

Winter wheat seeding is now in progress in the United States, and some observers believe that there may be a decline of approximately 10 million acres or from 57 million to 47 million. In part that would be an ordinary reaction to low prices, but in addition it would represent the desire of farmers to obtain some of the cash benefits the treasury of the United States is prepared to distribute in return for acreage reduction.

Shipping Firms Protest Maximum Grain Rate

From Our Own Correspondent

MONTREAL. — Request of the lake shipping men for a maximum temporary rate of 7½ cents a bushel on grain moved from the head of the lakes to St. Lawrence ports has been denied by the Board of Grain Commissioners. T. R. Enderby, managing director of Canada Steamship Lines, is to confer with Chairman Ramsay of the Board on the representations at Winnipeg next week, possibly Tuesday.

Steamship companies operating on the Great Lakes feel there is no justification for the action of the Board of Grain Commissioners in setting a maximum rate of seven cents a bushel on grain from Fort William to St. Lawrence Ports.

The maximum rate of seven cents became effective Oct. 1, but has been protested by the shipping companies.

Fixing of the maximum rate came as a surprise to the ship owners and they have yet to find out why such action was taken. E. B. Ramsay, chairman of the board, while listening to the representations of the steamship companies, refused to state why the maximum had been set.

The shipping companies are frank in stating they feel the maximum rate is unfair. The past seven years have been lean ones, partly because of the small crops but also because of low rates. Now, according to their claim, they are to be prevented from charging reasonable rates and making up some of what they lost in the poor years.

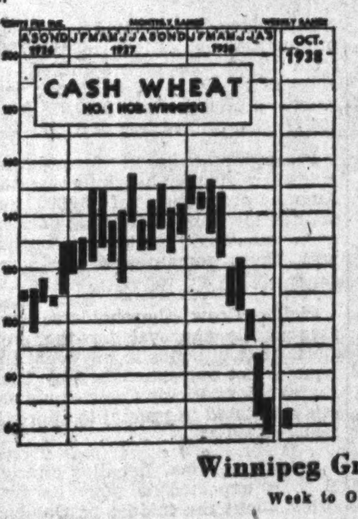
Costs Are Higher

On behalf of Canada Steamship Lines, T. R. Enderby, general manager, suggested the board had not taken into consideration the 10% increase in labor costs and the 10% increase in marine insurance. Furthermore, Dominion Government load line regulations made effective two years ago have decreased the carrying capacity of vessels. He suggested a maximum rate of eight cents a bushel.

Chairman Ramsay told the shipping companies it was up to them to show the board why the maximum should be higher. While admitting seven cents a bushel was not a luscious rate, he stated it was a fair rate.

Prior to the fixing of the maximum rate some shipments were actually contracted for at 7½ cents a bushel. On others, eight cents a bushel had been quoted. The seven cent rate is two cents above the prevailing rate at this time a year ago.

Wheat Prices



(Cash Quotations)

	For Week Oct. 4 High	Low	Prev. Week High	Low
1 Northern	.65¾	.59⅞	.69½	.61⅛
2 Northern	.62	.55⅞	.66	.58
3 Northern	.60	.53⅞	.64	.55¾
4 Northern	.55¾	.48⅝	.60	.51¼
5 Wheat	.49¼	.41⅞	.53½	.46⅜
6 Wheat	.43¼	.35⅜	.47½	.40⅜
Feed Wheat	.40¼	.33⅞	.44½	.37⅝

Competitive Export Prices:
Oct. shipments:

	Week to Oct. 4 High	Low
No. 1 North. (Van.)	.89¾	.81⅛
No. 3 North. (Atlan.)	.84½	.76⅛
No. 2 U. S. Yellow‡	.74⅜	.70¼
Australian (afloat)	.93⅝	.86
U. S. White Pac. (afloat)	.73⅝	.72¼
Russian† (low quality)	.72⅞	.61⅜
Russian† (high quality)	.72¾	.69¼

†Sample afloat. ‡Hard winters.

Winnipeg Grain Futures

Week to Oct. 4, 1938

Crop year from Aug. 1, 1938 High	Low		Open Sept. 28	High for week	Low for week	Close Oct. 4	Close year ago
		Wheat					
.77⅝	.56⅞	Oct.	.69⅛	.69⅛	.58	.58⅜	1.30¼
.77¼	.57⅛	Nov.	.64½	.64⅞	.58⅛	.58⅝	1.30¼
.76⅝	.56⅛	Dec.	.68	.68⅛	.57¾	.58¼	1.26⅞
.79⅛	.60¼	May	.71¼	.71¼	.61⅜	.61¾	1.26⅜
		Oats					
.32⅞	.27	Oct.	.31¼	.31⅝	.27	.27⅛	.52½
.31⅛	.25¾	Dec.	.30⅛	.30⅛	.26⅝	.26¾	.50¼
.33¼	.28	May	.30⅞	.31	.28⅜	.28⅝	.49⅛
		Barley					
.45	.32⅝	Oct.	.40¼	.40¼	.33⅛	.34½	.66⅜
.44⅛	.33⅛	Dec.	.39¾	.39¾	.33¼	.34	.64⅞
.44⅝	.34⅝	May	.41	.41	.34⅝	.35⅝	.63¼
		Flax					
1.43⅜	1.27	Oct.	1.38½	1.38⅝	1.30⅛	1.30⅜	1.77¾
1.41⅛	1.25⅛	Dec.	1.30½	1.38¼	1.27	1.27	1.77¾
		Rye					
.46⅛	.38	Oct.	.44¼	.44¼	.39½	.40	.91⅜
.47⅞	.38⅝	Dec.	.44¼	.44¼	.39¼	.39¾	.91½
.47⅝	.39⅛	May	.47	.47⅛	.41⅛	.41⅜	.92⅛

McCABE BROS. GRAIN CO. LTD.
WINNIPEG, MAN.
Grain Commission Merchants — Shippers and Exporters — All Grains-Sacked Feeds
Country and Terminal Elevator Operators
Grain Merchandising
MANITOBA - SASKATCHEWAN - ALBERTA
Offices: DULUTH - MINNEAPOLIS

EST. 1857
Grain Merchants Shippers & Exporters
Pioneers IN THE EXPORTING OF CANADIAN GRAIN
JAMES RICHARDSON & SONS Limited

"Like the British Navy—Cool under Fire"

Moistureproof paper
10 for 10¢ — 25 for 25¢

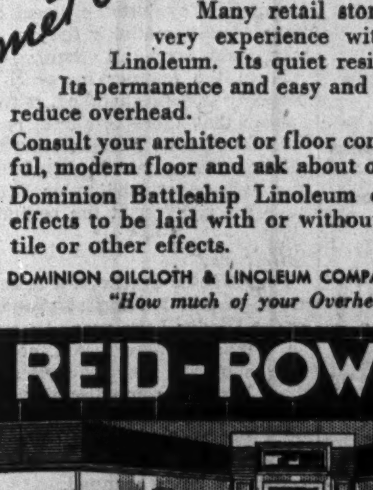
Twp. of Ancaster, Ont.

The Township of Ancaster, Ont., has privately sold $2,162 of 4½% debentures, maturing in 10 installments at 101.75.

Village of Swansea, Ont.

The Village of Swansea, Ont., has sold $18,059 of 4½% 14-year installment debentures to Aird, McLeod & Co. at 101.50.

DOMINION Battleship LINOLEUM

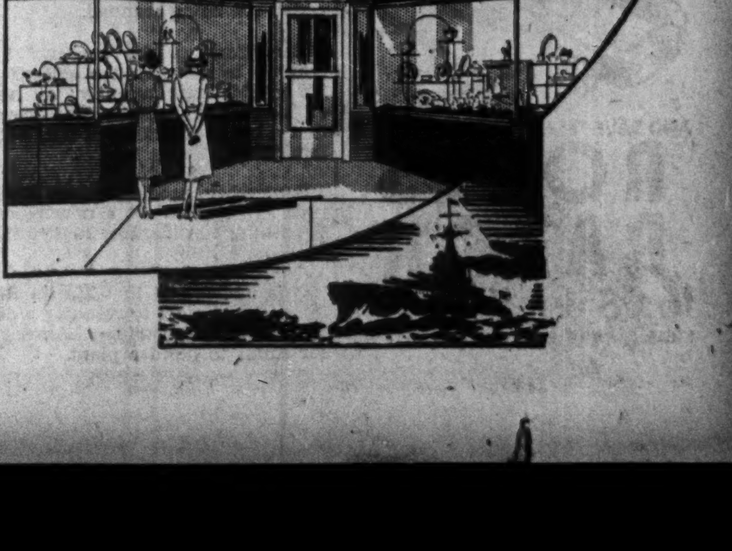


says J. WM. REID
REID-ROWLAND
English China Store

Many retail store owners have had this very experience with Dominion Battleship Linoleum. Its quiet resilience pleases customers. Its permanence and easy and inexpensive maintenance reduce overhead.

Consult your architect or floor contractor about this colourful, modern floor and ask about our 5-year Guarantee. Dominion Battleship Linoleum comes in 19 shades and effects to be laid with or without border treatment or in tile or other effects.

DOMINION OILCLOTH & LINOLEUM COMPANY LIMITED - MONTREAL
"How much of your Overhead is Underfoot?"



Week in Mining

See Peace Loosening Development Money

Base Metals, Meanwhile, Have Both War and Peace Market, With Floodgates on Capital Investment Down—Gold Sky Cleared

Peace puts everybody on the spot.

We've been putting off decisions. We've been excusing our lack of plans by saying war was on the horizon, so why bother to make plans.

Business now gets down to programmes. Without the imminent prospect of war political leaders—not only in Naziland—must now realize that they have to cope with the sober and sobering facts of business and economics.

All of which is important for the mining industry.

Proverbially optimistic and courageous, the mining fraternity has gone on making plans perhaps more fully than any other major industry. But carrying out these plans has often been impossible.

Raising money for honest exploration of good-looking prospects has been vastly more difficult than the record of Canadian mining and the record of some of the mine-makers could possibly justify. Quite a lot of scared money will now start coming back into productive channels and a lot of it is not going to overlook

No Question Marks

What does the European deal mean for gold, base metals?

For gold, probably it leaves fewer doubts in the sky than there have been ever since nations began going off gold and the new fancy brand of economics came along. There were not a few big question marks about gold in a world at war and a world after war.

Instead of question marks we have, for instance, the significant combination of Mr. Roosevelt, his debt and his gold hoard. We have the likelihood that, in its new mood, the world will see more general trading among its nations and, perhaps, before long, better distribution of gold stocks. Finally we have just witnessed one of the greatest scrambles in history for the utmost in material security. That scramble was for gold, or gold-backed currency.

A sudden, tumbling boom on the mining market is hardly to be expected in spite of the good news. That it will participate in the general improvement is hardly to be doubted. But in some minds the mining market even now shows need for consolidation and a continued need for assessment of real value.

With gold scare hobgoblins out of the way, it would appear that a really warm mines market might be forthcoming once industry at large begins to show signs of appreciating the new situation.

Keep this in mind. In the past two bull markets for the industrials the golds lagged rather miserably. That, of course, is traditional. Successive booms in bonds, industrials, commodities and golds, is the old alleged routine of market performance. The point is, where are we now? Does the old routine hold good at a time like this?

• • •

Heads We Win

The stock market ran up the base metal shares along with the rest. And, we believe, in general, rightly so. True, base metals are fundamental to the armament industry and the base metals would be unlikely to go far down hill during a war. But, on the whole, it seems true that a nation prosperous and at peace is a vastly bigger base metal market than war.

Meanwhile, the great nations announce that they are going to remain armed to the teeth, that they will continue their rearmament programmes. While that lasts, base metal interests have a very nice outlook.

Think of how much construction—homes, buildings and plants—has undoubtedly been postponed under war clouds. Capital investment of this kind has been slow and unwilling ever since the great depression. In a dozen fields, dammed up demand may now get on its way.

• • •

Sweet Thing

Jack Hammell was in his usual good form at the Uchi and Pickle Crow meetings. He was offering the Uchi shareholders a pretty sweet thing and if Jack is tough, we have yet to find anybody who knows of him being tough to "little fellows." He is justly pleased with the bond issue method of financing the Uchi mill.

Here's what it amounts to: offering Uchi shareholders a better than 22% investment. Buy bonds for $1,000. You get back in a couple of years $180 interest, then the $1,000 face value and then the bonus. The deal gave you 25 shares of Uchi for every $100 bond. Your $1,000 gave you 250 free Uchi shares. At today's price, around $2, that's a bonus of $500. Add up all you get back—$1,680 or better than 22%.

• • •

One very neat little dodge in the scheme was fine for the "little fellows" but not so fine for the big. It was stipulated that cash must accompany the order for bonds. That was pie for most of the small investors. But for a big fellow, anteing up $100,000 or so was discouraging—very.

• • •

Heirs?

Hammell made one very significant and searching remark. He referred to the swift up's and down's of his stocks, especially Pickle Crow, last winter when he was in Florida, sick, and it was rumored, going to die.

Then in his fairly "public address" manner, he told of those who thought the success of Hammell properties depended to such a large extent on the life of one man. As for management and leadership, he very frankly told his audience that he's been grooming his chief sidekicks, Ben Budgeon and Alex Hattie, for a long time to do just the kind of winning job.

• • •

Britishers?

With the discovery of important iron ore deposits in northern Ontario, it appears that a long and very quiet hunt has ended successfully. We learn on excellent authority that for several years British steel interests have almost constantly kept a staff in Canada on the lookout for precisely this type of iron ore.

This property is well located for commercial exploitation—near Sudbury. And hematite is the ore steel men desire above all others.

From the manner in which the property is being handled, it would appear that there is ample money available for its development, indicating perhaps that big steel interests, whether Canadian or British, have got right in at the beginning.

• • •

Smelters?

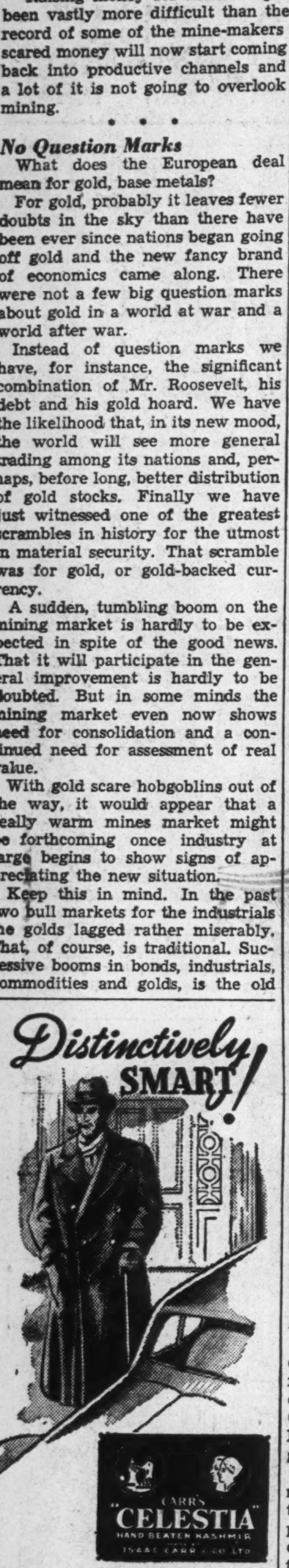
Consolidated Smelters, it is understood, is still looking at properties in the Larder Lake area. Its option on Barber Larder was announced over a month ago. Now, it seems, there has been some discussion with the Fernland management, with results yet undetermined. We hear that there are other properties, too, which are being scanned.

Conditions at the property had nothing to do with the sell-off in Sladen Malartic recently, we hear on the best of authority. Reason was that a big block of stock was being liquidated.

September production at Stadacona is going to set a new record, something considerably higher than $70,000 we hear.

It is understood that Martin Bird interests are close to reaching a deal with a very prominent American for funds to build a plant.

Distinctively SMART!



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La Luz Gets 300-ton Mill

Ventures, Sudbury Basin Assist in Financing Nicaraguan Work

Mill of 300 tons capacity will be placed on the property of La Luz Mines in Nicaragua immediately, according to H. Whittingham, secretary of Ventures Ltd.

Initial mill capacity will be increased to 400 tons daily by installation of an additional crushing unit. Too heavy to be taken in by air, it will await completion of a road from Alamicamba, the limit of water transport.

Funds required for placing the property in production were reduced materially by tests which showed the possibility of obtaining a larger mill capacity, with favorable recovery at moderate capital cost.

Ore used in tests came from the bottom level and was a composite of every channel sample taken on that level in the zones used in estimating ore reserves. This composite sample ran $8.05 per ton gold.

Ore for the first year will be taken from the surface dump where there are 100,000 tons available averaging $6.80 per ton in gold. Thereafter ore will be supplied from the large open cut obviating underground work for several years.

Diesel-electric power is to be used for the present until completion of the hydro-electric power plant.

When two complete mill units are in operation and supplied with hydro-electric power, it is expected 400,000 tons per year will be treated at a working profit of $3 per ton.

On completion of financing it is understood Ventures Ltd. will hold a 35% interest in La Luz Mines, including equity in a 14% interest held by Sudbury Basin Mines.

Chromium Mining and Smelting Co. announces the election of J. I. Rankin, of Montreal, to its board at the recent general meeting in Hamilton.

Uchi Bond Issue Granted Approval

Approval of a $1,000,000 bond issue at 6% was granted by shareholders of Uchi Gold Mines at a special meeting Sept. 30. Bonds are offered to shareholders at par with a bonus of 25 common shares for each $100 of bonds subscribed. No limit is set on the amount which may be subscribed as it is planned to prorate subscriptions in the event the issue is oversubscribed. While it is felt shareholders will take up the whole issue, J. E. Hammell and associates are underwriting it on the same basis.

Foundations of the 500-ton mill have been commenced, cement collar for the new four-compartment shaft has been poured. Supplies and equipment for the mill and crusher have arrived at Hudson, Ont., and it is expected these will be delivered to the head of Lac Seul before freeze-up.

News Concentrates

A. B. Trites' 75-ton mill at Zeballos will be in operation during the last week in November, according to present plans. All equipment and machinery is now on ground.

• • •

Arno Mines Ltd. notified Montreal Curb Market H. S. Wilson has resigned as secretary-treasurer of the company as of September 30. Cuthbert Scott appointed successor. Head office is being moved to Blackburn Bldg., Ottawa.

• • •

Aldermac Copper Corp is clearing site for its new sulphur process plant and tenders are being called for construction. Cost is estimated at $400,000 against $600,000 previously estimated.

• • •

Britcana has completed financing for construction of a 15-16 ton mill to treat ore from No. 2 vein. Arrangements have been made to take care of certain liabilities owing.

• • •

Big Master Consolidated has dewatered its workings and sampling is being carried out. Operations are under direction of Selby Lake Gold Mines.

• • •

Bralorne Mines production in September amounted to 8,650 oz. of gold from 15,172 tons of ore milled, an average recovery of 0.57 oz. per ton. In August output was 8,610 oz. from 15,006 tons, an average of 0.57 oz.

• • •

Bidgood Kirkland September production was fifth successive peak amounting to $58,351 from 4,388 tons of ore, an average recovery of $13.31 per ton. August production was $57,583 from 4,433 tons, an average of $12.99.

• • •

Chromium Mining & Smelting shareholders sanctioned creation of a $1,500,000 bond issue of which $1,250,000 are to be issued. Approval was given to increase in capitalization by 1,000,000 shares and issue of rights to shareholders to subscribe to bonds with a bonus of 40 shares of stock with every $100 of bonds taken up at par.

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Cataraqui Gold Mines has dewatered workings at its property in Hastings county, eastern Ontario, and resampling results and geological data are stated to be encouraging.

• • •

Cariboo Gold Quartz ore reserves are valued at close to $4,500,000 as a result of a new survey. During the first seven months of the year bullion to the value of $880,705 was produced, from 58,575 tons of ore.

• • •

Canty Gold — Additional finances have been made available for development, President Farris announces. It is planned to continue opening up the ore body with a view to determining whether a separate mill is justified or whether the Canty ore should be handled by the nearby Hedley Mascot plant.

• • •

Calgary & Edmonton has declared dividend of 8 cents per share payable Dec. 15 to shareholders of record Nov. 15. Last previous dividend was 5 cents on Dec. 15, 1937.

• • •

Central Patricia output of $432,722 in third quarter of 1938 was new record for quarterly production. Mill treated 27,957 tons of ore and average recovery was $15.48 per ton. Second quarter production was $376,709 from 24,552 tons of ore, average recovery of $15.34 per ton.

• • •

Central Porcupine has decided to defer underground exploration. On Sept. 27, cash amounted to $71,908, while dividend-paying investments were $84,595.

• • •

Denison Nickel has suspended shaft sinking at 880 ft. before objective of 1,000 ft. Diamond drilling is being continued from 800-ft. level station and 650-ft. level crosscut is being run.

• • •

Eldorado has completed a C.O.D. sale of 5,000 milligrams of radium to an industrial purchaser in London, England. All reserve stocks of radium were moved to London a short time ago.

• • •

Faulkenham filled a new prospectus with the SEC, at Washington, on Sept. 26, 1938.

• • •

Flavrian Gold Mines has discovered new vein at property in Duprat twp., Northwest Quebec. Vein has width of 11 ft. with walls not defined. Channel sampling is being done. Diamond drill may be moved from shaft vicinity to test new showing.

• • •

Golden Gate has cut a new ore zone in crosscutting at the 600-ft. level. True width is 16 ft. with first 10 ft. averaging $16.65 per ton and balance running $5.40 across 3 ft. and $4.20 across 3 ft.

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Hard Rock is installing new flotation equipment and capacity will shortly be increased to between 250 and 300 tons.

• • •

J-M Consolidated during the first 30 days after resumption of milling treated surface dump ore averaging $8.10 per ton. Operating costs were reported at $5.50 a ton without exploratory development. There is indicated 7 to 8 months ore at current production rate.

• • •

Jason Gold Mines is undertaking diamond drilling at its Argosy property, Casummit Lake area, Ont. Jason succeeded Argosy Gold Mines on basis of one Jason share for each five Argosy held.

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Jacola Mines has started drifting at the 1,000-ft. level following the installation of a new hoist. The shear in the crosscut shows a width of 25 ft. carrying low gold values with good mineralization.

• • •

Jellicoe Consolidated is stated to have opened up 75 ft. of ore in a branch break at the first level making over 350 ft. of ore opened up in the main ore shoot at this level.

• • •

Lapa Cadillac had an estimated production of $14,000 in August with mill averaging 203 tons daily. Recovery was between 60 and 70%, with heavy absorption in mill circuit. Preparations are being made for installation of cyanide equipment. Mining costs were estimated at $1.80 a ton in August with milling costs of 66c.

• • •

Macassa September production amounted to $152,841 from 9,946 tons of ore milled, average recovery of $15.37 per ton. August output was $135,807 from 7,912 tons of ore, an average of $16.38 per ton.

• • •

Mak Siccar Gold Mines has leased its property in the Osoyoos area, B.C., to miners who pay $50 monthly rental and 15% of net smelter receipts. The arrangement may be terminated by either party on 90 days' notice. It is hoped liabilities may be cleared off through revenue from this arrangement.

• • •

Nipsona Mines has purchased two properties adjoining Northern Empire Mines, Beardmore district, Ont. One group comprises 7 claims, the other 6 claims. Development is proceeding.

• • •

Paymaster Consolidated September production amounted to $115,067 from 15,818 tons of ore milled, an average recovery of $7.27 per ton. August production was $119,014 from 16,367 tons, an average of $7.27.

• • •

Porcupine Lake is formulating plans for further working capital. August production of $4,000 remained low due to drawing of rock from manway. September output will likely remain low for same cause.

• • •

Pickle Crow shareholders have given their approval for the purchase of Uchi bonds in the event the issue is not oversubscribed by Uchi shareholders. Pickle Crow liquid assets are stated to amount to approximately $750,000.

• • •

Privateer Mine, Zeballos district, B.C., is expected to pour its first brick about the middle of October. Initial milling operations have been satisfactory with lower-grade material being handled during tuning-up process.

• • •

Sheep Creek Gold Mines has started new exploration tunnel to determine ore possibilities of the Nugget band of quartzites in Sheep Creek's ground. New tunnel will go in from the surface and after cutting through the schist will be run north and south to pick up veins crossing Nugget quartzites.

• • •

Sigma production for September amounted to $154,565 from milling of 19,918 tons of ore, an average recovery of $7.76 per ton. This was a new record and compared with August production of $153,240 from 19,771 tons, an average of $7.75.

• • •

Toburn has declared an extra dividend of 2c. per share payable with regular quarterly dividend of 2c. on Nov. 22, 1938, to shareholders of record Oct. 21.

• • •

Upper Seine Gold Mines is preparing for installation of a mill of 70 tons capacity already delivered to Atikokan for taking in over winter roads. Profit of $5 to $7 per ton is anticipated with Diesel power. Electric power is available at $21 per h. p. Development is being extended.

United Gold Equities of Canada, a holding company which has shares of 38 Canadian mining companies in its portfolio, had a net profit of $31,730 for the year ended June 30, 1938, equal to 15.7 cents a share on the combined standard and common shares outstanding. During the year the company paid 12 cents a share in dividends. Henceforth the company will pay dividends, half-yearly instead of quarterly, although the annual rate is not expected to be changed.

The Week in Oils

Okalta 6 Completion Will Tell Big Story

Its Success Will Move Western Boundary of Turner Valley Over Mile to the West — Operators Turning to Wildcat Structures

From Our Own Correspondent

CALGARY.—The next week or two should tell an extremely important story about the future of Turner Valley oils.

Arrangements have finally been completed between Okalta and Calgary and Edmonton Corp. for finishing the Okalta No. 6 well.

Okalta 6 is about a mile west of the present producing area in Turner Valley, and might almost be considered a wildcat. Geologists point out that results here will either prove up important new ground, vastly enlarging the known Turner Valley field or will go a long way to showing the western limits of the field. The boundaries of the Turner Valley field have been fairly well determined to the south and to the east. The north and the west boundaries are as yet unknown.

Mutual Benefit

Okalta 6 has been standing cemented in the lime for several weeks now. Because of the importance of the well to surrounding acreage, it is understood President W. S. Herron felt others who would share in the benefits if Okalta 6 proves a producer, should assist in its completion.

Details of the agreement reached between Okalta and C. & E. are not forthcoming.

Whether or not a water drive exists in Turner Valley is one problem geologists believe Okalta 6 may answer. If there is no water pressure to force oil up the structure to the wells, it is even more important that present gas pressure in the known crude oil area be maintained.

• • •

Six Coming in

Turner Valley field should have at least six new producing wells by the end of October. There are now three wells drilling in the producing horizon, and three more expect to contact the lime shortly.

Brown 5 well and Consolidated 1 both reached the lime at the same time and are expected in production at any time. The other well in the lime is Richwell, controlled by the Neil McQueen interests of Vancouver.

The three wells nearing the lime are Davies 4, Royal Canadian 2, and West Turner 3. Four of these six wells are located in the south end of the field near Frontier, the largest well in the field, while the other two, Davies No. 4 and West Turner No. 3, are about three miles farther north in Section 32, close to Royalite No. 30, the third best well in the field.

• • •

May Cut Allowables

If these six wells are as good as their neighboring producers it would mean they would have an allowable of around 900 bbls. each a day. This would increase the Turner Valley fields production by about 5,000 bbls. a day. It would also mean reducing allowables of all wells as the field's quota is at present set at 22,000 bbls. a day.

Two new wells are preparing to spud in, namely Royalite 37 and York 2. Vantage and East Crest 4 are both resuming drilling.

• • •

Study Repressuring

Manufacturers of repressuring or recycling equipment still have their engineers studying the Turner Valley field. These men say there are several problems to be worked out yet and that it will take some time to get operators together agreeing on a plan after details are submitted.

It is suggested that all naphtha operators will close their wells for six months, and that gas, now being wasted from the crude wells, be used to supply the domestic gas market.

• • •

Drill 20 Wildcats

There are now about 20 wildcat areas in Alberta where drilling is proceeding or preparations are being made to drill. Every one of these wildcat wells could mean a new field and in the opinion of outstanding geologists some are sure to strike oil.

Following are some of the outside structures considered among the most promising:

Jumping Pound, located about 30 miles southwest of Calgary on which Roxanna oils holds over 5,000 acres.

Kootenay Dome, located about 40 miles northwest of Calgary in which Roxanna also holds about 7,000 acres. Roxanna 1 well is standing at 3,942 feet and expects to resume drilling shortly.

• • •

Now Under 4,000 Feet

Bearberry, about 40 miles west of Red Deer. Companies interested are Anglo-Canadian Oils, Calgary & Edmonton Corp., Calgary Gas Co. and Neil McQueen interests. Petroleum Structures 1 well, jointly financed by above companies, is presently drilling below 4,000 feet.

Moose Dome, located in the foothills area about 50 miles southwest of Calgary. Moose Oils holds 6,000 acres and is deepening No. 2 well at present drilling below 1,600 feet. This No. 2 well is reported capable of producing about 25 bbls. a day.

Brazeau, located about eight miles northwest of Calgary. Home Oil Co. holds 30,000 acres and their Home Brazeau well is drilling below 4,500 feet.

• • •

Very Heavy Crude

Green Valley, located just south and west of Turner Valley. Green Banner Valley Oil Co. holds a large block of acreage and their No. 1 well is drilling below 6,275 feet, over 915 feet in the lime. A flow of heavy crude oil was encountered at 6,255 feet.

New Valley, located just northeast of the Turner Valley field. Acreage on this structure is largely held by Sentinel Oils and New Valley Oil Co. Sentinel 1 well is drilling at around 7,000 feet and has encountered several showings of oil and gas. New Valley well is below 8,400 feet and struck a fair flow of crude with paraffin base entirely different from Turner Valley crude at about 7,000 feet.

Milk River, south of Lethbridge near the U.S. border. Anglo-Canadian Oil Co. holds a large block of acreage on this structure and the Anglo-Milk River No. 1 is at present drilling below 1,665 feet.

• • •

Two Wells Drilling

Watson Structure, in the foothills about 150 miles southwest of Calgary. Several companies are reported interested in acreage on this structure with two wells drilling. The Mar Jon 3 is below 5,500 feet and Maxmount at around 4,500 feet.

Clearwater, in the foothills area west of Calgary. The Altoba 1 Clearwater is core drilling at around 325 feet.

Unity, in Saskatchewan, about 50 miles east of Saskatoon. Franco Oils holds about 30,000 acres here. Franco 2 well is drilling below 2,200 feet and has encountered several excellent showings of both gas and oil. Franco has applied for a gas franchise to supply the city of Saskatoon with natural gas. The company also holds acreage in the Lloydminster gas field as well as several other fields.

Other structures where drilling is proceeding are Del Bonita, Pouce Coupe, Steeveville, Willow Creek, Lloydminster, Ribstone, Battleview, Ram River, Lethbridge and Taber.

Mining Company Options

Brownlee Mines (1936) Ltd.—An extension has been granted Garfield Trading Co., Ltd., on its option on 500,000 shares as follows: 75,000 shares at 3 cents payable within 30 days and thereafter 55,000 shares at 3 cents every 30 days.

Bush Lake Gold Mines—Agreement of Aug. 17 with Fred S. Stratford covering 10,000 shares at 10 cents has been terminated.

Goldbanks Mines—On Sept. 2, 1,000,000 shares optioned Thames Valley Securities, comprising blocks of 100,000 shares each at 5, 6 and 7 cents with balance at 8 to 25 cents per share, payable 10,000 shares monthly. Company incorporated Jan., 1937; authorized capital 3,000,000 shares with 906,709 issued.

Kelsey Gold Mines—On Sept. 20, 1,000,000 shares optioned to Edward Thomas Hartnett as follows: 200,000 shares at 5 cents; 100,000 shares at 7½ cents and balance at 10 to 40 cents payable $10,000 monthly.

Washington Gold Mines—On Sept. 7, 600,000 shares optioned to James R. Gibson, as follows: 200,000 shares at 5 cents; blocks of 50,000 shares each at 6, 7 and 8 cents; balance at 9 to 25 cents; payments to be made 50,000 shares monthly.

Charles Long Lac Gold Mines—On Sept. 19, Major Securities Corp., purchased 50,000 shares at 2 cents payable forthwith and received option on 1,200,000 shares, comprising blocks of 240,000 shares each at 4, 6½, 9, 14 and 19 cents, payable at $3,000 every 90 days. Company incorporated Sept., 1938; authorized capital 3,000,000 shares with 500,005 shares issued.

Halcrow-Swayze Mines—Option to Horace F. Strong and L. L. Steindler comprising 100,000 shares at 5 cents to Sept. 30, 100,000 shares at 10 cents to Dec. 31 and 50,000 shares at 15 cents to Mar. 31, has been cancelled by mutual consent.

Partanen Malartic Gold Mines—Sept. 19 installment comprising option on 100,000 shares at 17½ cents under agreement with Atlas Syndicate dated May 20 was not exercised and agreement has been terminated by default.

Mining Dividends

	Rate	Oct. 3	%
Anglo-Huronian	10c	3.00	3.3
Beattie Gold	10c	1.20	8.3
Bralorne	60c+40c	9.15	*10.9
Buffalo Ankerite	$1	15.00	6.6
Bulolo Gold	$3	27.00	11.1
Can. Malartic	6c	.88	6.8
Cariboo Gold	10c+6c	2.35	*6.7
Central Patricia	16c+2c	2.57	..
Coniagas	25c	1.30	..
Coniaurum	10c	1.28	..
Cons. Smelters	50c+50c	58.00	..
Dome Mines	$2	32.50	6.2
Falconbridge	30c	5.70	5.2
Gunnar Gold	†3c	.79	3.8
Hedley Mascot	12c+4c	1.12	*14.3
Hollinger	65c+45c	14.75	*7.5
Howey Gold	4c	.30	..
Hudson Bay	75c	30.00	..
Inter. Mining	35c	9.12	..
Int. Nickel, com.	$2+25c	51.00	*4.4
Island Mountain	5c	1.18	4.2
Jack Waite	†1½c	.33	..
Kerr Lake	5c	.40	..
Kirkland Lake	8c	1.22	6.5
Kootenay Belle	16c+2c	1.40	*12.9
Laguna	†5c	.22	..
Lake Shore	$4	51.00	7.8
Lava Cap M.	8c	.90	..
Little Long Lac	20c	2.95	..
Macassa	20c	4.75	4.2
McGillvray Creek	3c	.21	..
McKenzie Red Lake	12c	1.15	10.4
McKinley Sec.	5c	.50	10
Moneta	†3c	1.54	..
Noranda	‡$2	73.00	..
Nipissing	15c	1.67	..
North Empire	50c	8.60	5.8
Oro Plata	†4c	.57	..
Pamour Porc.	‡12c	4.45	..
Paymaster	‡1c	.52	..
Pioneer, B.C.	40c	3.00	13.3
Pickle Crow	40c	5.15	7.8
Placer Develop.	$1.20	14.50	8.3
Premier	12c	2.25	5.3
Reno	10½c	.38	..
San Antonio	14c	1.27	11.0
Sheep Creek	12c+4c	.90	17.7
Silbak Prem.	8c	1.90	4.2
Siscoe	20c+1c	1.88	*11.7
Sudbury Basin	10c	2.60	3.8
Sullivan Cons.	5c	.99	5
Teck-Hughes	40c+5c	4.90	*9.2
Toburn	8c+6c	2.25	*6.2
Ventures	37½c	5.10	7.3
Wright-Harg.	40c+30c	7.65	*9.2

‡Interim.

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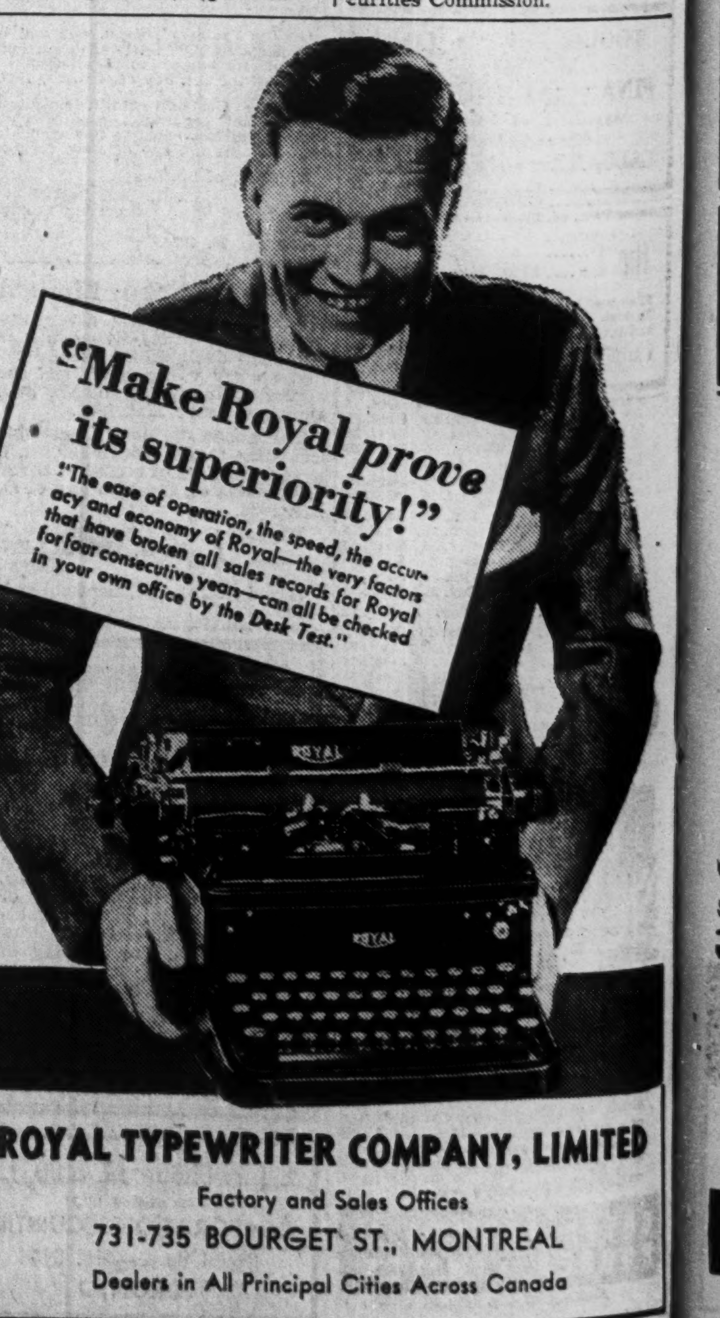
Wood Cadillac is stated to have stretched its ore on the 375-ft. level to almost 300 ft. with last muck samples running about $20 per ton.

West Turner Petroleums has secured consent for release of 1,020,000 shares in escrow from Toronto Stock Exchange and Ontario Securities Commission.



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Telephone Adel. 6406

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Advocates, Barristers, Etc.
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Minto Gold Mines shareholders approved increase in capitalization from 3,000,000 to 5,000,000 shares on Sept 27. A definite offer for financing will not be made by Morgan Engineering Corp. until conditions improve in financial markets.

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Manitoba Mine Output Points to New Record

Once again, Manitoba mining output will surpass any previous year, declared J. S. McDiarmid, Minister of Mines and Natural Resources, in his review of the first six months of 1938.

"As in other parts of Canada, there has been a falling-off in the number of active prospectors in the field, due, in no small degree, to the timidity of capital at a time of economic unrest," he stated.

"Production figures indicate an increased half-yearly production over last year of well over $1 million and that at a time when base metal prices are extremely low.

Reasons for the increase are the full time operation of the Sherritt Gordon copper mine which did not operate during the early months of 1937; the raising of the mill rate at the same property from 1,100 to 1,700 tons daily, and also in the full time operation of Manitoba's youngest producer, the Gurney Gold Mine. It may thus be seen that while the first six months of the current year are well up, the latter half of the year will compare favorably with last year providing metal prices hold or improve. Actual metal production for the year should show an increase of about $1.5 million.

Producers Dominate

"Mining activity has centred principally on producing mines.

"In the northwestern section, the province's two large base metal producers have carried on at full capacity and programmes to ensure future stability have been carried out.

"During the first six months, the Hudson Bay Mining & Smelting Co. treated 800,000 tons of copper-zinc ore, and declared a 75c. dividend amounting to $2,068,480. Placing the hydro-electric supply in a more secure position, the company has placed a number of storage dams on Reindeer Lake and is at present installing a fifth power unit at Island Falls on the Churchill River.

"Sherritt Gordon is producing copper with low values in gold and silver at the rate of $230,000 per month. Early plans of this company, when preparation was being made to reopen last fall, included the production of zinc. However, with the price of zinc below three cents per pound, treatment, shipping and smelter costs would constitute a very doubtful venture for that metal at the present time.

Laguna and Gurney

"Operations in the northwest gold producers, Laguna and Gurney Gold Mines, have been stepped up and the two are now handling approximately 85 and 140 tons of gold quartz ore daily from which are recovered approximately $48,500 and $45,000 in bullion monthly.

"Laguna will be the next Manitoba producer to enter the ranks of dividend payers, a five cent dividend having been recently announced. The workings of the Laguna mine have reached a depth of 1,250 feet and mill heads are running about $19.25 per ton.

"In the northeast, God's Lake Gold Mine is now handling approximately 200 tons of ore daily and an operating profit for the first six months, of $185,000 has been reported. There has been a distinct improvement in the value of ore. Intensive programme of diamond drilling is now in progress.

"There has been considerable prospecting activity in the northern area tributary to God's Lake and it is felt that much more intensive prospecting is warranted in this area.

"In the southeastern section of Manitoba, the San Antonio and Gunnar Gold mines report satisfactory progress. San Antonio ore reserves show an improved position. Impressive ore results reported from the bottom levels point to a healthy life for the property. They have established that although ore shoots may narrow and pinch out in upper levels, new levels may be anticipated at greater depths to replace them. In April, San Antonio Gold Mines declared a dividend of $162,167.

"Gunnar Gold Mines during the first seven months showed a recovery of $364,193 compared with $326,748 for the same period in 1937. Excellent results have been obtained in exploratory work at this property. Encouraging ore lengths of excellent value have been obtained on some of the intermediate levels and these are now being tested at depth. Promise of success at depth is indicated by wide quartz showings on the 1,250-foot level. The property is handling 145 tons of ore daily which, over a seven months period, has averaged $12.21 per ton.

"Adjacent to the Gunnar property work is being carried on on the Oro Grande property which has been idle for some years except for intermittent exploratory work. The plant has been recently electrified and a steady output of gold bullion has been made during the current year.

Exploration

"Considerable prospecting and development work is being done south of the Central Manitoba field in the vicinity of Maskwa and West Hawk and Falcon lakes. At Maskwa Lake a consolidation of claims on copper nickel showings has taken place, and exploratory investigation as to the chances for a base metal operation are under way.

"Gold occurrences are receiving renewed attention at West Hawk and Falcon lakes, the property of the Sunbeam Kirkland, being in the most advanced stage of development. A shaft has been sunk to 400 feet with considerable lateral development and diamond drilling.

"Although the number of prospectors in the field is diminished somewhat, much geological work is being undertaken by the Dominion and Provincial Governments. Close co-operation is being maintained between the two Governments and five Dominion parties were placed in Manitoba this year in areas recommended by the Provincial Department.

"Wherever possible the province is anxious to avoid unnecessary duplication of expense in departmental administration, consequently the mining industry is fortunate in having at its disposal a permanent staff of trained geologists centralized at Ottawa.

Probe Oil Possibilities

"In the southwestern section of Manitoba there is a broad area of rocks much younger than those which contain the metallic mineral deposits of the North. This year work is being continued in this area by R. T. D. Wickenden to determine the structural and age relationships of this younger rock series. Information of this sort has greatly assisted oil developments elsewhere in Canada and it is hoped that detailed study in the area will enable us to appraise more accurately what opportunities Manitoba may have in respect to oil and gas.

"The province conducted geological investigation in the vicinity of West Hawk and Falcon lakes and also at Bigstone Lake, some 25 miles southwest of Island Lake east of Norway House.

"It is felt that the most useful service a government can perform for the mineral industry is to assist in every possible manner in the dissemination of accurate and up-to-date information relative to mineral areas to make fees for prospectors as equable as possible and to interfere nowhere in any legitimate enterprise.

"Comparing the metals produced for the first six months of 1938 with the production of the previous year, increases will be noted in almost all cases. The following statistics indicate gains.

Metal Production:		1937 Quantity	1937 Value	1938 Quantity	1938 Value
Cadmium	lb.	96,575	$ 144,863	68,152	$ 70,197
Copper	lb.	17,975,386	2,548,910	33,791,190	3,227,396
Gold	oz.	77,594	2,715,014	93,191	3,273,800
Selenium	lb.	5,967	10,263	35,754	62,570
Silver	oz.	427,667	192,450	649,015	284,859
Tellurium	lb.	2,437	4,192	4,970	8,698
Zinc	lb.	17,584,559	963,986	25,030,307	778,192
			$6,579,678		$7,705,712

Pirate Gold Options Three Sets of Claims

From Our Own Correspondent

SUDBURY.—Steps toward merger of three properties in the West Shiningtree district were taken recently when shareholders of Shinintree Gold Mines Ltd., approved an agreement to option the Shinintree property to Pirate Gold Mines. Option is to run for one year and consideration will be 350,000 shares of Pirate Gold Mines.

Pirate Gold recently optioned the Kingston property.

The Pirate, Kingston and Shinintree properties are contiguous and form a solid block of 18 claims or over 800 acres covering 2¼ miles along the strike of the ore zone.

It is announced that a large programme of development is to begin in the near future.

The Shinintree property has a two-compartment shaft sunk 100 feet, and the Bennett vein, which remained in the shaft for a depth of 75 feet reportedly gave average values of $78 per ton. Original sponsors were unable to continue owing to lack of finances.

The Kingston property has been developed by British interests, which sank a shaft 100 feet and drifted 76 feet. Some $100,000 was spent. Continuity of the vein was reportedly established both by underground work and diamond drilling, the average being announced as $30 per ton. The property has been dormant since 1922.

SUSPEND BROKERS

Three Toronto brokerage firms have had their registration as general brokers suspended, according to information released by the Ontario Securities Commission. The firms concerned are A. H. Buchanan & Co., F. S. Elliott & Co., and Kenneth Bernhard Ltd.

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Teck Estimates Net at 33.4c

Receives $1.5 Million from Redemption of Lamaque Bonds

Net estimated earnings of $1,604,523 or 33.4 cents per share are reported by Teck-Hughes Gold Mines for the fiscal year ended Aug. 31, 1938. In the previous fiscal year, earnings were 45.8 cents per share.

Bullion production for the year amounted to $3,930,356 from 376,465 tons of ore and 15,671 tons of tailings treated. Income from investments was $72,522, bringing gross revenue to $4,002,878 compared with $4,570,855 the previous year.

Ore reserves at Aug. 31, 1938, were estimated at 610,895 tons averaging $12.09 per ton. This included only blocked out and broken ore. Encouraging results were obtained in exploration for and development of branch vein ore bodies on the south side of the No. 3 ore zone, particularly on levels Nos. 4, 6, 25, 26 and 30.

All the bonds of Lamaque Gold Mines, held by Teck-Hughes, have been redeemed, the balance of $1,000,000 having paid off on August 1. This made a total of $1,500,000 received during the fiscal year from redemption of Lamaque bonds.

Lamaque Profits 14.4c in 3 Mos.

Estimated earnings of $433,466, equal to 14.4 cents per share, are reported by Lamaque Gold Mines for three months ended Aug. 31, 1938. In the previous three months, earnings were estimated at 13.1 cents.

Increases are shown in bullion production and ore reserves for the latest quarter. Bullion production amounted to $1,179,762 from 97,580 tons of ore milled, an average recovery of $12.09 per ton compared with production of $1,107,836 from 98,544 tons the previous quarter.

Ore reserves as at Aug. 31, 1938, amounted to 720,607 tons of positive ore averaging $11.29 per ton. This compared with 707,345 tons averaging $11.32 as at May 31, 1938.

Ore developments on the 1,300-ft. level are stated to be satisfactory. Additional ore has been exposed on the 1,800-ft. level in limited work done. No. 1 winze has been deepened to 31.5 ft. below 1,500 ft. vertical depth, and the 1,400 and 1,500-ft. level stations have been cut.

On Aug. 31, 1938, $1,000,000 of bonds were redeemed, representing the balance of an original issue of $2,000,000.

Shenango Gold Mines has discovered a new vein showing a width of 4 ft. with free gold across 18 inches. The extension has been located 1,030 ft. from the discovery point and has widened to 8 ft.

Manitoba Oil Seekers Say Production Near

From Our Own Correspondent

WINNIPEG.—Oil drilling at Pilot Mound by Gates Petroleum, Winnipeg, is now down 1,055 feet. At this stage the drill passed through 25 feet of formation with excellent showings of both gas and oil, according to Perry L. Withers, in charge of the drilling. A sample has been sent to Professor Edmunds, University of Saskatchewan, for analysis.

Production, Withers said, may be found at the bottom of the present herizon, possibly within 25 or 50 feet. Casing is being run and as soon as possible drilling will be recommenced.

Gates Petroleum is also interested in Lloydminster area and recently has made a deal whereby it chequerboarded its holdings with a drilling company. Drilling is to start immediately on the holdings disposed of. This would provide desired information on holdings of Gates Petroleums.

Mitnor Gold Results Attract Many Others

High-grade gold finds reported on the Mitnor Gold Mines' property in the Neswabin area some five miles south of Oba on the Canadian National Railways has resulted in extensive staking in the section, which already has been staked for a length of more than 10 miles and new interests still are coming in to acquire ground.

It is understood that previous to acquisition of the property by Mitnor Co. a minor examination was made and a vein traced across the country for more than seven miles.

The company engineer, H. R. M. Turner, reports this vein has been opened by trenching for a distance of 360 feet. Composite sample from length of 60 feet was $31.15; recheck, $22.05 gold per ton. This vein ranges in width from 10 to 18 inches on surface.

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B. C. Gold will take the leadership away from lead as most valuable in point of production in British Columbia this year, according to Dr. John F. Walker, deputy minister of mines. Last year lead produced in the province was valued at $21 millions but prices have declined and the figure is expected to be nearer $14 millions. Last year's total for gold, $18 millions will probably show a substantial increase.

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National Problems Aired

Canadian Chamber of Commerce Discusses Aspects of Public and Private Business

By KENNETH R. WILSON
Staff Writer, The Financial Post

SEIGNIORY CLUB, P.Q. — For three days last week about 12-score top-ranking business and financial leaders of Canada monopolized this magnificent, rustic show-place.

Representing an estimated 20,000 membership in Boards of Trade and Chambers of Commerce throughout Canada, they heard well-prepared speeches on three main topics:

1. Management Relations.
2. Agricultural Prosperity.
3. National Partnership.

Those who came early heard keynote addresses from the Chamber's retiring president, George C. McDonald, of Montreal, and Henry W. Morgan, Chairman of the Executive. Luncheon and dinner speakers offered: a plea for a national tourist trade plan—David H. Gibson, Vice-President, Toronto Board of Trade; a brilliant closing address —Leonard W. Brockington, K.C., Chairman, Board of Governors, Canadian Broadcasting Corp.; a goodwill message from the United States — James S. Carson, Vice-President, American and Foreign Power Co.; a message on "Education and Business"—Hon. Thane A. Campbell, K.C., Premier of P.E.I.; "Empire Contacts," Sir Harry Lindsay.

Another important contribution was an appeal by R. A. McInnis, general manager, Anglo-Canadian Pulp and Paper Mills, for a practical national effort of conservation and management of Canada's forest resources.

National Unity

Chief objective of the Chamber's work during the past year has been to forward the cause of national unity and the work and study of the Rowell Commission on Dominion-Provincial relations. In his presidential address, Mr. McDonald stressed the fact that the Chamber's brief (presented to the Commission last May by Henry Morgan) showed business opinion as strongly in favor of "reduction of sectional barriers, simplification of taxation and concentration of the collection of taxes more in the hands of the Dominion Government and less in the hands of the provinces."

New Tax Sources

Mr. McDonald discussed detailed steps which he believed might be taken by the Dominion to tax profits coming from the exploitation of natural resources. He mentioned specifically the newsprint industry and the gold mining industry where Federal leadership from an operating and a taxation point of view might be exercised.

He referred to the excessive number of public administrations in Canada (now totalling over 27,500) and urged that in addition to inculcating in public men the spirit of trusteeship it was necessary to go farther and inculcate in Canadian citizens an attitude that will "demand the spirit of trusteeship from our public men."

He deplored the present tax burden on real estate, stressing the fact that although municipal revenues are derived to the extent of about 75% from this source, the policy of the people toward owning their own homes had changed and savings were now, to a great extent, invested in other forms of property such as, for example, automobiles.

"If the schools and municipalities could get a rate of taxation levied on the value of automobiles and other forms of personal property, the burden on real estate might be considerably alleviated."

Railway Problem

Canada's railway problem was discussed by Mr. McDonald and Mr. Morgan. It also held a prominent part in the Chamber statement of "policy," which described it as "a chief threat to the stability of Canadian public finance."

Reference was made to the work of a special railway sub-committee under the chairmanship of Norman Dawes, president and managing director, National Breweries, Ltd.

In view of the wide diversity of opinion contained in the contentions of the two railways before the Senate enquiry the Chamber executives decided not to ask the membership to declare itself at the present time. Instead, it urged that "some independent body of experts should review these contentions and adjudicate the varying opinions expressed."

Once these facts are available it is then the Chamber's intention, according to Henry W. Morgan, to ask its membership to declare themselves on the best plan for solving the railway problem.

Management Relations

At a morning session devoted to "management relations" the Chamber heard Prof. James Cameron, head of Industrial Relations Section, Queen's University, present his views as to what wage-earners wanted from their jobs, also the steps which employers should take to develop a satisfactory industrial relations programme.

Relations of management with government were summed up by W. D. Black, president, Canadian Manufacturers' Association, who urged: maximum freedom from control and supervision over individuals; reduced and simplified taxation; revision of the statute books, etc.

Specific suggestions as to how management could improve its relations toward investors were given by D. K. "Tim" Baldwin, of Montreal, president, Investment Dealers Association.

Harry Cockfield, vice-pres. and man. dir. of Cockfield, Brown and Co., contributed a straight-from-the-shoulder talk as to how business might improve its public relations with consumers.

Agricultural Marketing

Agricultural marketing problems were wittily handled by F. E. M. Robinson, former president, National Dairy Council.

"The farmer lives by farming the land," said Mr. Robinson, "and the rest of you live by farming the farmer."

"Just as the farmer may by good practice obtain maximum returns from the land, and in the end leave it better than he found it, so may you by good social and economic practice so farm the farmer that you will be profited and in the end the farmer will be better off.

"Farmers would be better helped if governments would undo things rather than do them. We who remain on the land are the victims of too much interference and not too little."

He showed distrust of planned economy and marketing schemes, finally warning his listeners that they would be disappointed because he had not brought forth a plan to sell apples, cheese and wheat.

"I know of no such magic save the haggling of the market places where those who wish to buy meet those who wish to sell. If not interfered with, the price will clear the floor."

At once his argument was taken up by J. H. Wesson, successor to the late L. C. Brouillette as president of the Saskatchewan Wheat Pool. Mr. Wesson argued long and vehemently for controlled marketing as the only salvation for Canadian producers under existing circumstances.

Important contributions were also made by General McNaughton, president, National Research Council, and two of his assistants who discussed progress made in agricultural research in Canada.

National Partnership

In its final deliberations, the Chamber discussed "national partnership" from the point of view of finance, legislation and economics. Dr. Horace L. Brittain, director, Citizens Research Institute, gave abundant statistical evidence to show that "debt is the mother of debt charges and debt charges are the stepmothers of starved public services."

He suggested that a decade marked by co-operation in the exploitation of national resources should be succeeded by a decade of conservation and development of national resources.

He paid tribute to the improvements made in recent years in municipal accounting and current budget control but urged the necessity of capital budgets in public finance, a thing which he described as non-existent in Canada at the present time.

Grants Commission Urged

Speaking from the legislative point of view, T. D'Arcy Leonard, K.C., general counsel, Dominion Mortgage and Investments Association, emphasized the original basis of Confederation and urged that: "bearing in mind the prime objective of national unity, we strengthen the position of our central government."

He stressed the benefits which Australia had achieved from its Grants commission and which had brought a high degree of flexibility into an otherwise "rigid demarcation of finances." Despite Canada's different circumstances he urged setting up a somewhat similar body with special safeguards to meet the Canadian situation.

After an able and thoughtful study of Canada's economic situation, René Morin, general manager, General Trust Co. of Canada, urged four essentials: toil, thrift, scientific research and unity.

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London Calling

by Atticus

Figures in World Drama Men in their Fifties —Dr. Benes Seeing Tragic End of His Dreams

PREMIER SYROVY

DR. BENES

LONDON.—It cannot be without interest that the principal actors in the relentless international drama of today are, with the exception of Mr. Chamberlain, in their fifties. Signor Mussolini is 55. Mr. Roosevelt is 56. M. Daladier is 54. Dr. Benes is 54. M. Stalin is 59. For insurance purposes Herr Hitler would be counted 50 but is actually in his fiftieth year. Broadly speaking therefore we may say that the world is under the domination of the Formidable Fifties. They were all born in a peaceful period when, despite Jerome K. Jerome, life was infinitely less complicated than today. Without desiring to add to international acerbities it can hardly be claimed that the world they now control is either as pleasant or as peaceful as when they first entered it.

There is one of this group, however, who must inspire pity in every heart that is capable of human feeling. Dr. Benes is seeing the end of a dream. If his defects of character and judgment contributed to that result it does not lessen the tragedy of it all. At this hour he must be wondering what fate has in store for him. Will he become the Forgotten Man? Will he become another Schuschnigg? Or will he create a new life for his harassed and savaged people?

Thirty-two years ago he came to London for the first time with a very modest travelling scholarship. He lived in a boarding-house near Waterloo Bridge and read the Biographies of Pitt, Castlereagh, Canning and Palmerston. He could not afford meat at his meals but filled himself with vegetables and political knowledge. On one of the pages of his beloved biographies he wrote: "There are too many statues to admirals and generals in London. They should have monuments to statesmen, for it was statesmanship that built the Empire."

I wonder if he thinks that it is statesmanship that is building the new Europe. Curiously enough he won his doctor's degree in Paris for a thesis entitled: "The Austrian problem and the Czech problem."

The son of a peasant, he has a deep understanding of his own people and a passionate devotion to their interests. He yearned for learning so that he could use it for the benefits of his fellow countrymen. Perhaps he was so good a Czech that he was an imperfect European. If he had seen more clearly he might not have opposed with such violence the restoration of the Hapsburgs to Austria. Great learning he had, and great courage—but not always great vision. Nevertheless the hearts of the British people go out today to the brave little man.

* * *

The New Premier

General Syrovy, the new Premier of Czechoslovakia, is also of the fashionable age, being 51 years old. Like Dr. Benes he is short, but unlike the President he is thick set, heavy jowled and with a black patch over one blind eye that adds to the general impression of strength and toughness. His hatred of Austria was so intense that he joined the Russian army in 1914, and became an officer. Eventually he commanded the Czech Legion that fought first with the Russians and then against them when Bolshevism had parted Russia from the Allies.

When I was in Prague during the last Sudeten election in June I had a long talk with Dr. Krofta, who is still retained as Minister of Foreign Affairs. Like Dr. Benes he was a Professor but is a Slovak. His attitude of last June was gentle and patient but physically he seemed worn out. Perhaps he will be grateful for the vitality which General Syrovy will bring to the Cabinet meetings now.

* * *

M. Jan Masaryk

The career of M. Jan Masaryk, whose anxieties as Czechoslovak Minister to London have been so incessant, is a reminder of what a prominent part America played in the formation of the little European Republic. But first let me record that M. Masaryk is 52 and therefore comes into the category of The Dynasts. M. Masaryk, of course had the mixed advantage of being the son of a famous father. The old President was such a tremendous figure in post-war Europe that his son could not escape the suspicion that he was but the echo of the father. Yet that would not be wholly fair. M. Masaryk founded his career in the days when his father was just one more dreamer of events to come.

After finishing his education in Prague he went to America and joined a well-known business firm of which Charles R. Crane was the president. Although Mr. Crane's business was the supplying of household utensils to modern American homes, his real interests were in diplomacy and foreign places. He did become at a later date American Ambassador to China and a recognized expert on Russia and the Far East. I have no doubt that Mr. Crane found young Masaryk's conversation of interest for their relations were on a friendly basis. So friendly did they become, in fact, that M. Masaryk married Mr. Crane's daughter. During the war America was constituted the spear-point of the plan to create a Czechoslovakian Republic. It is worth noting at this juncture, when the American press is denouncing Britain for deserting the Central European Republic, that Czechoslovakia was one of those products that might well have been stamped "Made in America." If the Government at Washington has forgotten that fact the very large Czech vote in Chicago will recall how in the war-time presidential election the fullest possible credit for it was claimed for President Wilson by his supporters.

At any rate after the war M. Masaryk went to the U.S.A. as the first diplomatic representative of Czechoslovakia to Washington. To complete the entente his brother-in-law Richard Crane went to Prague as the first American Minister to Czechoslovakia.

The last few weeks have proved an intolerable strain on M. Masaryk, who has taken the full brunt of Anglo-Czech negotiations on his shoulders. The lights have burned late every night at the Legation and the son of the great President has been the last to go to bed as he is almost the first to rise. The decoding of the voluminous messages from Prague and the coding of the replies has been an incessant labor which has not finished until 2 o'clock and even 3 o'clock in the morning.

Nor has M. Masaryk been able to console himself by smoking. He was once an inveterate smoker of cigarettes but an illness robbed him of the taste for them while leaving him with a longing for their solace. This conflict between desire and distaste has caused him to dream more than once in his sleep that he is smoking a particularly long cigarette and inhaling voluptuously—only to wake and find that the smoke has gone up in dreams.

* * *

At the Foreign Office

No one would suggest that all the strain of the present crisis is being borne by the European diplomats, Sir Alexander Cadogan, who succeeded Sir Robert Vansittart as the Permanent Head of the Foreign Office, has had a cruel summer. In his case, though, pity must be tempered by fairness. He took over the Foreign Office when it was keyed to emergency. Nor were the issues complicated by the double policies of direct and indirect dealing when Geneva was the other half of the British Foreign Office. Another thing is that Sir Alexander is temperamentally suited to crisis. He is without enthusiasms or prejudices when it comes to international questions. No one will ever accuse him of being pro-French, pro-German or pro-Chinese. He is coldly practical and keeps his emotions in the refrigerator of his soul. It has been said of him, perhaps a little maliciously, that he expects another ice age and is preparing himself for it.

Sir Alexander can smile at all this with the happy knowledge that he has a charming wife (he married Lady Theodosia Acheson, one of the famous trio of daughters born to Lord Gosford), an attractive family, a most interesting house and a position of great responsibility in a period when history is made every half hour. Nor is he by any means inhuman. In his youth he caused a stir both at Eton and Balliol—which can hardly have been attributable to scholarship alone. He was a success in China too. Incidentally his recall from there to the Foreign Office resulted in the appointment (and the subsequent shooting by the Japanese) of Sir Hughe Knatchbull-Hugessen.

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DIRECTOR

B. S. Fitzpatrick has been appointed a director of the Tuckett Tobacco Co. Ltd. Mr. Fitzpatrick, is advertising manager of the company.

Cariboo to Mill 300 Tons Daily

Ore Reserves Increase—Working Capital More Than Doubled

Treatment of 300 tons of ore daily at Cariboo Gold Quartz Mining Co. is expected within the next two or three months following a gradual stepping up of the mill rate.

In a report to shareholders covering the seven months ending Aug. 31, 1938, the company states increased exploration is being continued with promising results in Pinkerton and Butts ore zones, the latter being the most recent developed.

On the 1,800-ft. level in No. 1 ore zone encouraging results are obtained. This also applies to 1,800 and 1,900-ft. levels in the Rainbow ore zone, although sufficient work has not yet been done to form an opinion on ore possibilities.

Ore reserves as at Aug. 31, 1938, amounted to 279,688 tons averaging 0.453 oz. gold per ton, an increase of 33,452 tons since Feb. 1.

Bullion production for the seven months ended Aug. 31, 1938, was $880,705 from milling of 58,575 tons of ore, an average recovery of $15.04 per ton. Working capital stood at approximately $294,000 on Aug. 31 comparing with $127,769 at the end of January.

Spy Hill Royalties has secured consent of Toronto Stock Exchange and Ontario Securities Commission to release 499,994 shares from escrow.

Chartered Accountants

WILLIAM F. REID
Chartered Accountant
205 Lancaster Building
CALGARY, ALBERTA

ARTHUR S. FITZGERALD
AND COMPANY
Chartered Accountants
WINDSOR ONTARIO

RONALD GRIGGS & CO.
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You probably carry fire insurance on vulnerable properties — but are you absolutely sure you carry enough? The majority of properties are greatly under-insured, as policyholders often realize too late. It will pay you to check up. Any Employers' agent will gladly give you the benefit of his seasoned counsel.

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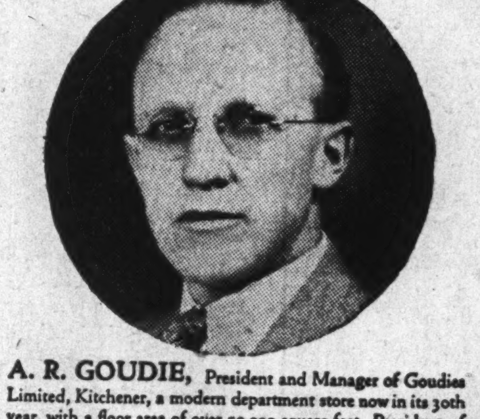

A. R. GOUDIE, President and Manager of Goudies Limited, Kitchener, a modern department store now in its 30th year, with a floor area of over 50,000 square feet. President of Goudie Buildings Limited, Kitchener. Dominion President, the Retail Merchants' Association of Canada. First Vice-President of the Western Life Assurance Company of Hamilton, Ontario.

"Without Local Backing National Advertising Must Fail"

says MR. A. R. GOUDIE

● "Thirty years in the department store business has taught me that persistent advertising in the local daily is the best way to produce results and build business.

National advertisers would do well to consider regular insertions in the Local Dailies, leading up to, and during peak demand periods, backed by the local dealer in his own advertisements (as illustrated herewith) — his windows and interior displays. Without local backing national advertising must fail.

Our best medium, and the manufacturer's best medium, is the Local Daily that 100% of our customers read each day."

A. R. Goudie's experience is similar to the scores of retailers advertising in the

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Brantford Expositor
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Galt Reporter
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Kitchener Record
Niagara Falls Review
Oshawa Times
Owen Sound Sun Times
Peterborough Examiner
St. Catharines Standard
St. Thomas Times-Journal
Sarnia Canadian Observer
Stratford Beacon-Herald
Timmins Press
Welland-Port Colborne Tribune
Woodstock Sentinel-Review